THE WAY TO INDUSTRIAL PEACE

B. SEEBOHM ROWNTREE

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THE WAY TO INDUSTRIAL PEACE AND THE PROBLEM OF UNEMPLOYMENT

BY

B. SEEBOHM ROWNTREE

AUTHOR OF "POVERTY," "LAND AND LABOUR," ETC.

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THE WAY TO INDUSTRIAL PEACE

I

THE CAUSES OF DISCONTENT

THERE is ample evidence that the nation has been deeply moved by the spectacle of thousands of men, in many parts of the country, and in many different industries, laying down their tools or suffering lock-outs for the sake of upholding some claim for better conditions of labour. This spectacle, constant in its main features, though varying in minor details, has compelled even the thoughtless to ask himself its meaning. The idea of the great economic conflict underlying it has laid hold upon the public imagination as it never did before, and from every type of onlooker, clear-sighted or the reverse, criticisms and suggestions have poured in. And the clamorous

alarm of one who only sees in the present phenomena the impending ruin of our civilisation, the patient reiterative advocacy by another of some trivial measure of reform which he regards as a sure panacea, and the triumphant doxology of a third, who believes that a new era of peace and prosperity will dawn with the emancipation of the workers—all find willing listeners. There is one thing that many people have found it difficult to understand—namely, how the vast machinery of production, creating the wealth which maintains the greatest empire the world has seen, should rest on so insecure a foundation that an almost inappreciable difference of opinion as to the rights or wrongs of a workman's dismissal, or of the engagement of workers within or without the gates of a dockyard, should be sufficient to lay idle whole mines, whole harbours, whole railway systems, whole groups of industries. The triviality of the apparent " casus belli " has astounded the casual observer. It is to help him to

review the actual facts and to analyse their underlying causes, psychological and broadly human as well as economic and theoretical, that the writer will try to outline the results of his own observation, and to suggest some reforms which, in his opinion, will be of value in paving the way to industrial peace.

Not that "peace at any price" is necessarily always, even for the consumer, the best solution of existing difficulties. In many cases the interests of the public generally are better served by a prolonged conflict, whose outcome is the increased productivity of an especial industry, or the reduction of the national burden of pauperism and ill-health, than by a misleading truce. No compromise dictated merely by the expediency of the moment is likely in the long run to benefit the nation as a whole.

At the outset, therefore, before trying to formulate the attitude of the general public, we must answer the question—

What Underlies this Seething Unrest?

The answer would be a complex one, if we were to analyse in detail the causes of every strike and lock-out during the last few years. But surely it would be madness to imagine that the industrial unrest which within a comparatively short period has affected hundreds of thousands of workers in this country, which has probably diverted millions of money from their usual investments, and which has paralysed whole industries, interfering even with those almost sacred institutions—the railway time table and the shipping list—can be resolved into sporadic disputes on minor points, without any vital connection. Their close resemblance to each other alone would rule such an assumption out of court. The superficial cause—the desire for a small addition to the wage in one place, unwillingness to undertake a certain class of work in another, the protection of a penalised

fellow worker in a third—was merely like the touching of a spring that sets a huge machine in motion.

One characteristic of the more important strikes was that they originated in claims made on behalf of the lowest-paid workers, another was the determination of the men—so strong, that not even the counsel of their leaders could persuade them to go back to work on conditions which they regarded as an inadequate compromise, and that many broke agreements with their employers, endangering the very privileges gained by past contests of strength.

The Workers' Surprising Patience,

Those characteristics the observant student of contemporary events may discern below all the diverse circumstances of the different disputes. They have a deep, underlying unity. It has been interpreted by the Archbishop of York as follows: "The long, and to my mind

surprising patience of our workers is being broken. They have education enough to arouse within them the sense of inequality ; not education enough to appreciate the difficulties which stand in the way of its redress. The spirit of the times, in all classes, expressed in religion as well as in legislation, is heightening the sense of what is due to human life here and now, and these slower and deeper human influences have been brought as it were, to a point, by the pinch felt in the rise of prices during the last fifteen years, so that money wages may be higher while the real wages are lower than they were."

One need not enter here upon the vexed question whether or to what exact degree real wages have fallen within recent years. That at any rate they have not increased over a period of fifteen years is undisputed. Briefly, a rapid fall in prices in the eighties was accompanied by a general rise of wages ; in the nineties prices remained more or less stationary, while wages continued to rise ;

in the present century prices have gradually risen, and wages suffered a drop in the crises of 1904—5, from which they have not yet recovered to the level of 1900. Thus, one cause of the widespread dissatisfaction on the part of the workers is clear.

Education as a Force.

But even had real wages in recent years advanced at the normal rate, the other cause to which the Archbishop attributes the present unrest, viz., the progress of national education, would in itself almost suffice to explain it. There is now hardly a village where a daily paper is not read by several of the workers, not a town where the sale of evening papers is not considerable. The opportunities of meeting and discussing social and economic questions have rapidly increased. The output of inexpensive books and periodicals, and the distribution of free propagandist literature are prodigious. In the free

libraries the more expensive publications have been made available for the poorest, and though there is a complaint that serious books form a small proportion of the volumes borrowed, modern fiction, analysing in a hundred ways the life and thought of widely different types and individuals, contributes to a rapidly growing knowledge of the world, and of the conditions under which all sorts of people live.

A Sample of the Discontented.

Picture a young labourer with wife and three or four children dependent on him. He is of ordinary intelligence and has some acquaintance, often fairly accurate, though gleaned from fiction and the evening paper, with what life may be under more favourable circumstances. Think of him as he returns after work to the one living-room of his badly furnished house, perhaps clean, perhaps the reverse, half the week redolent of washing day ; the older children playing

in the streets, for want of a better playground, the younger clamouring around his wife, who is harassed, anæmic, and prematurely old—although in years no older than the lovely heroine of his newspaper serial. Follow his train of thought. His wage, say 25*s.* (about a third of the adult male workers in the United Kingdom receive no more, while over one-tenth have less than a pound a week) is only sufficient to pay for the necessities of physical efficiency, even when work is quite regular. If he would indulge in the slightest luxury—buy his children nice clothes for the Whit Monday procession, or take his wife to the theatre or a concert —he can, if he has as many as three children dependent on him, only do so at the cost of physical efficiency. "The poor have no exchequer except the exchequer of the belly."

The children are growing rapidly, and need more food and clothes year by year. If ever he has to stay off work through

illness, or loses his job, they face starvation. His younger brothers who occasionally helped when times were bad, are all married now, and have children of their own. The cheap furniture bought at marriage, and paid off on the instalment plan, is getting very shaky, and will soon be worthless. The clock, the china tea-service, and other simple wedding presents were pawned when he was off work last winter for a few weeks with "blood-poisoning" and will never be redeemed. He may have spent a few pence in the week on tobacco and beer; he may have lent a "bob" occasionally to a mate who was worse off than himself; he may have taken his wife for a holiday in the first year of their marriage, but he can think of no serious extravagance with which to reproach himself.

Perhaps our friend has attended a health lecture, and learned the value of light and air, and he may know of a cottage to let which has a little garden, at a rent not

much higher than he is paying now. He could grow a few vegetables, and the children would soon be "different beings." But how could he get a bicycle, even a second-hand one, to carry him to and from his work? There is something still owing at "the corner shop," that trusted them during his illness.

Again, he may possibly have read about the nutriment necessary to maintain the body in full physical efficiency, and whether he has read about it or not, he knows quite well that he and his are inadequately fed, in spite of all his wife's economies. Then he reads of the immense growth of the national wealth—from £8,548,000,000 in 1875 to £13,986,000,000 in 1905, and sees on every hand the increase of luxury. What wonder if the doctrine of discontent finds in him a ready echo? This doctrine is preached to him by every reformer, or would-be reformer, whether his motto be "tariff reform and higher wages," "tax the land and free the people," or "socialism

and plenty for all." As years go by, and matters do not improve, his discontent becomes more firmly rooted, and when the day comes for decision, he will be one of the many men determined to "down tools," even if the issue of the conflict be very doubtful, and his accredited leader deprecates hasty action.

It is idle at the moment to ask whether strikes are the best method for improving the conditions of the workers. Suffice it to say that by many thousands of men whose economic knowledge is less profound than their discontent, they are looked upon at present as the only available method, and there is no doubt that their occurrence must be reckoned with for some time to come.

II

CAN INDUSTRY SUPPORT HIGHER WAGES?

Our analysis of the general discontent in the world of labour has shown that below the varying reasons for which men laid down their tools, there was one great spring of action, the claim to a fuller share in the good things of life. Many of the grievances which have now driven men to face starvation rather than bear them any longer are of old standing; something more was needed to fan the spark of discontent into the flame of insurrection. This new factor, as we have seen, is to be found in the realisation of the fact that the standard of wages was stagnant, if not actually retrogressive, at a time when the wealth of the nation was progressing by leaps and bounds. The question then which most

concerns us, viewing the industrial unrest from the point of view of the nation rather than from that of any particular interest involved, is : Can industry, generally speaking, support the higher wages which are demanded by the workers ? If it can, by what means is the worker to obtain them ? If it cannot, what is to be the outcome of his demand ?

Low Wages and Parasitic Industries.

That demand may be resisted on the ground that it is unjustified, and that its satisfaction would give the workers more than a fair share in the total product of industry. Or it may be resisted because industry as a whole is not productive enough to allow the payment of higher wages—in other words, because the payment of a higher wage would wreck it. There are industries in every country, which are parasitic upon the life of the nation, since it is only by underpaying the workers

that they continue to exist, and it is time for us to ask how they became a part of our industrial life, and whether we can afford to retain them for ever in our midst.

Low wages, however, do not always mean that the industry concerned is unproductive, nor that capital or land take an undue share of its output. They may be due merely to custom, including a standard of life among the workers which is habitually low. The facts which have been brought to light in recent investigations of "sweated industries," for instance, show clearly that the sheer passive resignation of men and women workers, too poor, too ignorant, or too lacking in self-reliance to combine in demanding better conditions is accountable for many a starvation wage. We see this also in the remuneration of agricultural labourers in many counties of England, where wages below 15*s*. a week for adult male labourers, including all allowances in kind, are quite common. It is certain that insistence upon a living wage for workers

in such cases is to the national advantage, since it requires merely a break with a bad tradition, which is not founded on economic necessity. But something more will have to be said on this point.

Increased Wages an Economy.

Where competition is keen, it is often assumed that to raise wages would mean a heavy handicap to the industry concerned. As a matter of fact, however, there is overwhelming evidence that except in a small number of unimportant industries low wages are not economical. "Labour may be plentiful and cheap," says Arthur Shadwell, in his work on "Industrial Efficiency," "but it may be bad economy to buy it cheap. For what an employer wants is not labour but the result of labour, and if he buys too cheap he will not get it: just as a man who buys a coat may buy it too cheap. Cheap labour may be dear through want of capacity or of will. The former is generally recognised, but the

latter is often overlooked. Wages are the incentive to work, and must be adequate to produce it." This holds good of every grade of labour, though in the case of the most poorly paid the effect of improvement is, naturally, the most striking. For here an addition to the wage will often result not merely in greater loyalty and a keener application to work, but in mental and physical efficiency that were previously lacking, owing to malnutrition.

Economists have long perceived that low wages do not pay the industrialist. Comparisons of the industrial conditions in different countries show this very clearly. Dr. Schultze-Gaevernitz, for instance, in a comparison of conditions in the cotton industry in England and Germany, says: "In England the operative minds nearly double as much machinery as in Germany. The machines run quicker, the loss compared with the theoretical capacity is less. In the latter respect it is to be borne in mind that in England, doffing and filling

with bobbins takes place in a shorter time, breaking of ends occurs more seldom, and the placing of broken threads requires less time. From these it results that the cost of labour per pound of yarn—especially if the overlooking is included—is in England decidedly less than in Germany. The wages of the English spinner are nearly twice as high as in Germany, and the hours of labour a little over nine hours compared with eleven to eleven and a half in Germany."

The Employers' Equipment.

Other employers, unable to increase the speed of production in this way, will find economies in better technical equipment. "British manufacturers of the articles in the production of which American competition has been felt," says Lord Brassey, "have directed their attention too exclusively to mere economy, to reducing the price of labour and to administrative details: their ingenuity has not been sufficiently exercised in the technical branch of

their business, in the improvement of patterns and the quality of their goods."

It is a general experience that the inventiveness of manufacturers increases *pari passu* with the price they have had to pay for labour. The employer who can obtain his " hands " at a low wage without the slightest difficulty is often content to run his business on antiquated methods of production and of management, and is eventually outrivalled, and possibly ousted from the market by competitors who have to pay more for labour but who are shrewder and more vigilant. For a time, no doubt, the inefficient manufacturer may be protected against his rivals by import duties upon his products, which reserve the home market for him, just as, for a time, the inefficient worker may be protected by trade union regulations limiting the productivity of labour in a particular industry. But ultimately all such artificial supports and restrictions are bound to break down.

Employers, then, must be compelled to

abandon the false economy of low wages, and the nation need not distrust movements which strengthen the economic position of the workers when bargaining for the price to be paid for their labour.

The Safeguards for Capital.

The reader may fear, however, that such a state of things would be fraught with danger, since the demands of the workers might become so exorbitant that the other factors in production would be inadequately rewarded, and would withdraw from the industry. Let me therefore hasten to add that taking any one industry as a whole, trade unions cannot force employers to pay workers more than they are worth. They can only urge their demand up to the point at which the investment of capital in the industry ceases to be attractive. This point may be reached all too soon, where the margin of profit is narrow and competition is keen: it may be remote where profits are high, and even with a much

higher cost of production the industry would attract capital. Whether a concern pays a dividend of 20 per cent. or of 18 per cent. will hardly affect the ease with which capital can be obtained. If, however, the demand of the workers were quite out of proportion to the possible economy through better organisation or the employment of fresh machinery, the inevitable result would be to drive capital into other fields. If the process were a general one, affecting many industries in the country, capital would be driven into foreign investments. The result at home would be a lessened demand for labour all round, and widespread unemployment which would, if long continued, break up the unions. Thus, since capital cannot be forced to accept a lower interest than that which, considering differences in risk, it could obtain from foreign investment, there is an effective check to the demands of labour.

Undoubtedly the enforcement of the demand for higher wages will crush

out some employers either because they lack organising ability or the capital necessary to purchase up-to-date machinery —possibly, too, some exceptional trades, which depend for their very life on sweated labour, may have to go. This is part of the price which the capitalist class will have to pay for economic progress—a price which, viewed from the national standpoint, will probably be much more than counterbalanced by the improved standard of living among the workers.

How Advanced Wages Will Come.

The workers, too, will have to pay their price for economic progress, for, undoubtedly, the raising of wages will lead to temporary dislocations in industry—in the course of which some men, chiefly the older and least adaptable, will find themselves stranded. While, as we have seen, there is an automatic check to the demands of the workers—a check which will be reached at different points in the various industries

—there is no reason to anticipate that their demands will as a rule be impossible or unreasonable. The most surprising feature of the situation to-day is the patience of the workers.

And it is not merely for sentimental but for sound economic reasons that we must sympathise with their desire for a larger share in the product of labour. A more equal distribution of wealth, while lessening the burden upon those who now bear the largest share in national expenditure—the hard-working middle classes—would also secure for our national industries the best possible market. For the most favourable commercial treaty could not open such a stable outlet for goods as that of a large mass of well-paid industrial workers at home. As a nation we have yet to realise the fact that a high standard of living among the workers is the surest safeguard against the trade fluctuations and crises that wreck so many a business concern.

III

A SHORTER WORKING DAY

"When the hours and general conditions of labour are such as to cause great wear and tear of body and mind, and to lead to a low standard of living: when there has been a want of that leisure, rest and repose which is one of the necessaries for efficiency: then the labour has been extravagant from the point of view of society at large, just as it would be extravagant on the part of the individual capitalist to keep his horses or slaves overworked and underfed." Thus Professor Marshall summarises his condemnation of excessive working hours. In spite of great provocation during recent years, the hours of work in many of our staple industries are still so long that adequate "leisure, rest, and repose" are unknown to millions of workers. In this

respect the conditions of the best paid and best organised classes of workers are not, as a rule, markedly superior to those of the lower grades. From the trade union returns received by the Board of Trade, for instance, it appears that for those whom we are apt to regard as the élite of the workers, the "eight hours day" is still a remote ideal. According to the Report of the Board of Trade, on Earnings and Hours of Labour (1906), the average hours of labour in a full week exceed 53 in the following trades: Bricklaying, decoration, painting, excavating, iron, pig iron, and steel making, engineering, and boiler making, railway carriage and wagon building, manufacture of light castings, wire drawing, gold, silver, and electro-plate manufacture, cycle making and repairing, farriery and general smith's work, lock, latch, and key making, clock and watch making and repairing, all the textile trades, dress and millinery (workshop), bespoke tailoring, bespoke and ready-made boot and shoe making, furriery, silk,

felt and straw hat manufacture, laundry (factory), saw milling, machine joinery, cabinet making, and many other trades and public services. Since the Saturday half-holiday is practically universal in this country, the daily number of hours given to work by these skilled and well-organised workers from Monday to Friday is therefore nine or ten. On the railway, certainly, the long working days of certain classes of employees (on the average 58 hours for six-day workers and 65 hours for others) are subjected to a fierce public criticism, when the investigation of an accident shows for what excessive periods engine-drivers or signalmen are expected to remain active and alert.

Recent Changes.

Considerable improvement has already taken place. During the ten years, 1903 to 1912, there has been an almost uniform tendency to reduce the hours of labour in the classes of workers reporting changes in

this respect to the Board of Trade. For all trades, excluding agricultural labourers, seamen, and railway servants, the number of men affected by decreases during this period was 1,059,926, while that affected by increases was only 29,981. For different groups of industries, the changes were as follows :—

Number of Workpeople affected by Decreases and Increases of the Hours of Work.

	Decrease.	Increase.
Building Trades . .	213,916	14,608
Mining and Quarrying .	506,976	116
Metal, Engineering, and Shipbuilding .	48,449	13,204
Textile Trades . .	24,590	
Clothing Trades .	53,743	221
Transport . .	72,558	118
Miscellaneous Trades .	92,906	187
Employees of Public Authorities . .	46,788	1,527

None of these changes, as far as I know, have been due to legislative action.

The reduction of hours of work, even more obviously than the increase of wages, benefits not only the employee but the employer, and that is why it has so frequently been accomplished without friction. Additional opportunities of rest and of mental and physical recreation almost immediately result in greater efficiency. Numerous instances might be given in which the payment of a higher wage per hour for shorter working days has increased the productivity of the men. Mr. Shadwell, in his careful comparison of working conditions in the United States and in England, has come to the conclusion that, taken all round, the American workmen with shorter hours than their British colleagues work very much harder. He also points out that the Italian navvies, who are sometimes said to work as hard as British ones and for longer hours at a stretch, do not, as a matter of fact, get through more work.

Effect of Shorter Hours.

Physiologists have pointed out that, generally speaking, short hours and hard work exhaust the body less than long hours and less energetic application, though the total output of work may be the same. This is the case, especially, where work takes place in the heated or contaminated atmosphere which is inevitable in so many of our staple industries.

But physiological effects apart, can we doubt that the additional leisure and recreation will affect the worker's interest in his occupation, his mode of life, and the whole of his mental horizon, making him both a better worker and a better citizen? In a close study of industrial conditions in Belgium, I was struck with the fact that where the conditions of work were most oppressive, the hours longest, and the opportunities for wholesome recreation least frequent, there was also the greatest apathy on the part of the workers. There

intemperance was most prevalent, and there the whole standard of comfort was lowest. A similar study in other countries would undoubtedly reveal similar conditions.

It would be futile, however, to infer from such facts that the reduction of the working day to, say, eight hours in every industry, and under all circumstances, must necessarily be beneficial to employers and employed alike. In some occupations, as Mr. Shadwell points out in his summary of his own observations in different countries, the productivity of labour per hour could not be substantially increased by any addition to the physical or nervous reserve of the workers, and the loss of output through a reduction of hours would have to be made up by other economies where these are possible. " Probably no one will seriously deny," he says, " that hours of work may be too long or too short. They may be too long because human nature has limits, as the saying goes : rest and recreation are

physiological needs : the brain cells, which are the motive power of all action, become exhausted, and faculties fail after a time, with the result that bad work is produced. They may be too short, because the power present is not fully utilised, with the result that insufficient work is produced : in the end it would be bad work too, for powers disused atrophy, and the less people do the less they can do."

The Mode of Reduction.

In determining the effect of shorter hours upon the efficiency of the workers, much will depend on the mode of reduction. There are some who contend that it would be best to leave the hours of working days much as they are and give the workers greater leisure at the week-ends, say a whole holiday on Saturdays and a half holiday on Mondays. Others would prefer to see a reduction or absolute abolition of working hours before breakfast, while others expect most benefit from a shortening of

hours in the evening. These are questions which only those engaged in different industries, as employers and employed, can decide. There can be no doubt, however, that only by adding to the leisure hours in such a way that they can be profitably employed will the change really benefit the individual and the nation. To many workers, for instance, an additional hour's rest during the dinner-time, while agreeable in itself, would not give such an opportunity for real recreation as an hour added to those spent at home in the morning or evening. In our large towns, especially where many workers live too far from the premises to go home for their midday meal, an additional hour in the middle of the day might lead to unprofitable expenditure of time and money rather than to physical or moral development. On the other hand, I know well what an additional hour a day represents in health and pleasure to many a man who cultivates a garden or an allotment. Such pursuits apart, that hour

may stand for a richer home life, for reading, or attending classes, and make the worker happier and better as an individual and more valuable as a citizen.

"I am not surprised," a clergyman recently said, "that the attendance of men at divine worship is so small. With ten hours of work every week-day, a passion for ennobling thought on the seventh day can hardly be expected. What wonder if the men are too tired to take an interest in their own souls." Thus, from the moral, no less than from the economic point of view, the question of hours of labour is one of vital importance. The man who is too tired to exert himself at all on the days of rest is also too tired to interest himself in questions affecting his physical welfare and that of his family and fellow-citizens. He is apt to become a mere drudge, content to drift on the stream of life, unable after some years thus spent to arouse himself to decisive action to overcome any temptation that may assail him, to apply his

thought to art or literature, or even to follow intelligently the political happenings of the day.

A Saving in House Rent.

Take merely one important effect of the reduction of the hours of labour upon the life of the nation. For this alone, if for no other, it would be worth our while to further, in every possible manner, the movement for a reasonable shortening of the working days. I refer to the possibility which it opens out for housing a much larger proportion of the population in rural and semi-rural neighbourhoods—by giving them time to travel further to and from their work. It is a matter of supreme importance, not merely from the point of view of health, that the crowding of the population into the large cities and industrial centres should be arrested. One of the greatest obstacles to the economic progress of the working-classes to-day is the large proportion of their income

which is absorbed in rent ; and it is unduly large because so many of them are horded within easy reach of their place of work. Their crowding on a limited area, in addition to all the physical and moral degradation which it involves, forces up land values and rents. No blame necessarily attaches to the landowners who appropriate these increments. If the whole of the land were nationalised, the higher value which it derived from its proximity to industrial premises would still remain a fact. The only means of equalising the value of land in town and country, lies in the decentralisation of our industrial population. Not only will the saving in house rent improve the position of the worker, but he will live in a more wholesome environment, away from the demoralising and depressing atmosphere of the overcrowded town area: he will have a garden to cultivate, and a better chance to bring up his children to healthy and strong manhood and womanhood. The housing

accommodation in the centre of towns, too, would become more adequate, and rents would fall for those workers, casual or regular, who owing to the nature of their occupations are obliged to reside close at hand. But the two reforms must go together : decentralisation and reduction of the working day.

IV

THE PROBLEM OF CASUAL LABOUR

If the condition of labour is really to be improved and the prevailing discontent banished, it is absolutely essential to solve the problem of casual labour. No statistics are available as to its magnitude. We do not even know whether the number of persons intermittently employed, though capable of regular work, has recently increased or decreased, though a general survey of industrial conditions seems to indicate an increase during the last twenty or thirty years.

Diverse Difficulties.

In theory we must distinguish between those who wish for regular work but are unable to find it, and those who do not

wish for regular work of any kind—the "work-shy." Yet, in practice, these classes merge into one another, and often only a close analysis of a man's character and career can determine to which he belongs. Each class again includes a variety of types which have little in common beyond the fact of their inability to work regularly throughout the year. Thus we have men engaged in the building trades, whose work must be largely conditioned by the weather; we have men who depend exclusively on one form of employment, such as dock labourers, and others who will accept many kinds of employment, though chiefly depending upon one. Then there are men who habitually interchange different casual or seasonable employments, the "summer" porter who in winter is taken on at the gas-works, the navvy tramping from one public work to another, the man who turns his hand to almost anything, and in addition, perhaps, keeps a small shop with the help of other members of his family, the hawker

who will leave his hand-cart at home if he can get something better to do, and many other types. No single panacea will help all these people out of their diverse difficulties.

But as a class the unskilled casual workers in our towns, especially where they congregate in large numbers, tend to lower the general standard of life. Not only will the casual, whether or no he is anxious for regular work, often lower the price of labour, but he will generally be content with conditions of housing and environment far below those which can be accepted as the minimum by the community as a whole. Irregularity of income, too, makes for an irregularity of expenditure, in which positive extravagance alternates with starvation. It is an economic condition which encourages disease, and which well-nigh excludes the possibility of a healthy family life and a high level of morality. Casual labour of course is not confined to the slum, but it is in the slum that its evil effects are

felt most strongly, and that we are forced to realise the national problem it presents. We shall here consider, not the skilled workman whose work is intermittent, and whose wage is affected by that fact, but the rank and file casual.

Two Causes.

Casual labour may be due to two causes, an over-supply of labour varying in extent, or an established tradition in certain industries. In the first case it forms part of the general problem of unemployment, and must be considered along with other evils arising from fluctuations in the labour market. Where it is due merely to custom, it may be simultaneous with brisk trade activity, and remediable simply by a change of organisation. Usually both causes are effective in one and the same industrial area. In York, for instance, a city of 82,000 population, in the summer of 1910, at a time of industrial activity, I found that the actual number of casual workers was

probably about a thousand, not counting those engaged in the building trades and those who through physical disability or an abnormal antipathy to work might be counted as "unemployable." Many of them were respectable working men, who for one reason or other could not be sure of regular work. It is, of course, impossible to estimate the extent to which they might, with proper organisation, be absorbed in regular occupations. That many of them at the time were more or less inefficient there could be little doubt, but very often, as the study of their past careers showed, the irregularity of their employment was directly responsible for their deterioration in physical strength, in ability, and in character. Since the problem of the unfit will be considered in a later chapter, I will not here discuss the process of deterioration. I will rather endeavour to show that the continual descent of men from the status of regular workers, through the stage of casual employment, into the final abyss of unfit-

ness, can be arrested by a better organisation of the labour market as a whole, and of certain industries in particular.

The notion that it pays an employer to have a margin of unemployed men continually hanging around is, to begin with, one which has come to us from an older school of economists, who stood too far aloof from the concrete life of the people with its human relationships and human careers. Only in theory can it benefit an employer to limit his regular staff to the very minimum, to take on additional "hands" just when they are required, not a day sooner, and to dismiss them as promptly when the stress is over. In practice it pays to take trouble and to incur some slight expense in so organising an industry as to increase to its utmost limits the proportion of regular workers, and correspondingly to decrease the proportion of casuals; for the work of the former is almost always better than that of the latter. Only under particular conditions,

such as prevail, for instance, in the building industry, or in public works, is the output of regular and of casual workers nearly equal; and even here shrewd employers try to keep the largest number of selected permanent men that their business will justify.

Decasualising Dock Labour.

Some large employers are beginning fully to recognise the superior efficiency of regular work, and are systematically endeavouring to co-ordinate the demand for workers within their own business, shifting men from one department to another as they are needed, instead of engaging large numbers irregularly throughout the year. From my own experience as a manufacturer, I can testify to the great advantage of this method from the employer's point of view. For the added trouble and thought which it involves he will be more than rewarded by the increased efficiency and

loyalty of the workers. Where many employers in the same closely allied industries have a fluctuating demand for workers, unless their demands for extra labour coincide, the organisation of exchange is comparatively easy. Thus at the London Docks, and more recently at those in Liverpool, an interesting system is being evolved for decasualising dock labour. The magnitude of such a task is illustrated by the case of Liverpool. Here Mr. R. Williams on one occasion ascertained that although the shipping trade as a whole did not at the busiest time require more than 15,000 dock labourers, the actual number of men intermittently employed as such in the course of the year was 27,000. It is obvious that the existence of so large a reserve, while not apparently costing the shipowners a penny, must react very unfavourably upon their business by its severe drain upon the prosperity of the city. What is being done at the London and Liverpool docks to decasualise the

workers is possible also to a varying degree in other towns and in other industries.

But when individual employers and groups of employers have done their best, there remains a margin of casual workers which can be regularised only through and by the National System of Labour Exchanges. Whether it will be necessary, as some suggest, to make the engagement of casual workers through a labour exchange compulsory upon employers will be seen when these institutions have been at work for a few years. But already an effort is being made to decasualise labour, to give the available jobs as far as possible to a comparatively small number of good workers rather than to distribute them evenly over all applicants for casual work. Such a policy alone can solve the problem of casual labour with all its attendant evils. It would chiefly, of course, affect unskilled labourers, though much can also be done to decasualise the employment of skilled workers by enlarging the sphere of their

search for work, and helping them to dovetail work for different employers so completely that practically all their time is occupied.

In passing, it may be noted that under the National Health Insurance Act it is to the interest of employers, generally speaking, to decasualise their labour, since their own contributions will be less for a staff of regular workers than for a larger number of occasional workers.

Potential Wealth.

But if by a process of decasualisation the problem of casual labour is reduced to a minimum, there will still be not only a residuum of men left without regular work, but the entirely unemployed margin of those who have been squeezed out. How can they be provided for without burdening industry or the nation as a whole with the entire cost of their maintenance? If the country were really over-populated, so that the supply of labour must necessarily

exceed the demand for it, the problem would remain insoluble. But as long as we have capital and land lying idle, or capable of yielding a larger return by the application of additional labour, the solution is in our own hands. The excess of labour permanently or temporarily unemployed, so far from constituting a burden upon the nation, must be regarded as potential wealth. No employer would dream of scrapping machinery because for a time he cannot make full use of it. He keeps it in good working condition until he requires it again. Now the only way to keep human labour efficient and "fit" is to keep it employed, whether the employment be immediately remunerative or not. The "right to work" is the necessary corollary of the "right to live," and it means that human energy is something more important than the most costly machinery, and may not be wasted or flung away. What is required, then, for all surplus labour is an alternative to

industrial employment to which it can turn for self-support without the risk of deterioration.

National and municipal enterprise, undertaken at times of slack trade and suspended in trade activity, may help to provide the required alternative. But our public bodies have rarely been far-sighted enough to engage in new enterprises, however desirable, at times of trade depression. On the contrary, they are most active when the outlook of industry is hopeful and the ratepayer is optimistic. But there can be no doubt that it would be possible for them to retain some of their work for depressed periods, helping to steady the labour market. This is a far sounder method than that of starting, often at a moment's notice, "relief works" which are not really needed. It would save the ratepayers' pockets and help to solve the social problem.

Other methods of providing the alternative which the casual worker needs will be

dealt with later on. Suffice it to say here that the evil of casual labour is great, and that it can be and should be overcome.

The establishment of labour exchanges is a necessary first step in accomplishing that end, and as such they should receive the enthusiastic support of employers who care for the national welfare. But other steps must follow—the worker whose work for wages cannot be decasualised must be provided with employment during the periods of waiting—and the "squeezed out" man must have a career opened to him. At first this must be done artificially and at a loss, for he will probably be inefficient, but, as labour comes to be better organised, the number of inefficient men will be greatly reduced, and the need for artificial help will be correspondingly diminished.

V

THE PROBLEM OF THE UNFIT

In the last chapters I have alluded to the intimate connection between the wages problem on the one hand and the problems of over-employment and of under-employment on the other. Long hours of excessive exertion, and casual work, so entirely different in their immediate effect, are apt to lead to the same result, the creation of a class of incompetents, dragging down the general level of wages, and depressing the standard of life. No lasting and complete industrial peace can be established until the class of the "unfit," recruited chiefly from these two great sources, has vanished altogether from the industrial fields.

Sufferers from Over-work.

First, as regards those suffering from over-work, the question which chiefly con-

cerns us is this: Can any measures be devised by which the strain of labour might be lessened? I have already suggested that by the reduction of the hours of work the working capacity of men might be economised and their working age be increased. Although it is generally assumed that the greater nervous strain demanded from the workers at the present time is sufficient to counteract the lessening strain due to a shortening of hours, the evidence on this point is by no means convincing. Mr. Beveridge, for instance, in his book on unemployment, points out that among members of the Amalgamated Society of Engineers, where, if anywhere, one would expect to find the effects of "speeding-up" on the age of superannuation, the latter has gradually risen between 1885 and 1907, from 61½ to 63¼ years. Since, in this society, the age of superannuation is that of compulsory retirement on account of failing capacity, it may be taken for granted that in one of our great industries, at any rate, the

tendency is not towards a reduction of the age at which men can be employed. But even if there were a general tendency towards incapacity for work at an earlier age, this would be felt as a national evil only if the men were so badly provided for that they were forced to enter, as they advanced in years, the casual market of unskilled labour. In practice it will be almost impossible, with the present development of labour organisation, for any "speeding-up" of labour in the future to be unaccompanied by a similar improvement in its conditions, whether this takes the form of higher wages—enabling the maintenance of a higher standard of physical efficiency, and provision for superannuation at an earlier age—or that of shorter hours of work—with a lessened strain upon nerve and muscle, and increased opportunities for rest and recreation. It is by such general improvement of the conditions of labour, rather than by any artificial compulsion of industry to employ old and

partially incapacitated men at the full standard of wages, that the swelling of the casual labour market by the outworn veterans of industry can best be avoided.

The Making of Unemployables.

The career of these sufferers from the effects of over-work becomes identical with that of the chronically under-employed, when together they throng the waiting-rooms of labour exchanges and swamp the relief works set up at times of exceptional trade depression. This latter group, again, is made up of two distinct types, that of men who, in spite of a fair start in life, are gradually falling away from the accepted standard of efficiency and character, and that of men who, from the outset of their career, have been handicapped by some defect. The first are often the outcome of bad influences and evil company. Slight tendencies towards drink, gambling, or other vices, have developed into passions which they can no longer control. Probably they

are not a large class, but one which, like a parasitic growth, impedes the progress of the labouring classes to a higher plane of living. All successful measures of temperance reform, and all movements which check the spirit of gambling and of vice will reduce their number, while all improvements in the home life of the people, and in the national system of education, will act as a preventive agency. By every possible means the careers of our young people must, at the very outset, be guided and safeguarded, if we are to prevent the fatal drifting from partial incompetence into complete unfitness for remunerative employment.

Among the victims of early handicaps to a healthy development there are many whose physical efficiency has been below par from childhood. Though many of them, at one time or another, are able to hold a regular post for months, or years, they are apt to be the first to suffer from the effects of trade depression, the first to

become casual in their search for work, the first to sink into the condition of physical and moral degradation which marks the "unemployable" army at the bottom of the industrial ladder. In my enquiry into the problem of unemployment in York I discovered an amazing number of such men, of all ages, and in all stages of deterioration, men who, for the most part, had really never had a fair chance in life. Some suffered from ailments neglected in infancy, some from a lack of energy which was the obvious result of years of under-feeding, some from ill-health, due to an unwholesome environment. Often coming from slum homes, brought up with insufficient parental control, thrown from the more or less rigid discipline of school into careers entirely unadapted to their needs and powers, many of them were doomed to failure from the outset of their industrial life. Later on they became hopeless, without energy and without self-respect, never earning for any length of time a sufficient

wage to provide themselves with the necessaries of a civilised life. The habit of waiting for casual jobs resolved itself into one of loafing, they became the easy prey of bookmakers and publicans, and year after year left them more definitely "unemployable."

Preventive Measures.

Here, again, it is only from preventive measures that any lasting good can be expected. First, all practical steps must be adopted to improve the conditions of child life, to link the school with the industrial career, to supervise the choice of employment, with special reference to the physical condition of the youth. Before he has left school his career should be mapped out with the help of those who, in considering the existing openings, can also take into account his particular temptations. The counsel of the school medical service and of the teachers themselves must be brought to bear upon the selection of the

first employment. Preventive medical treatment must extend its field of service far more widely. It is to be hoped that the system of health insurance now in force will direct attention to the pressing need, if only for the sake of economy, for a more ample provision of school clinics, open-air schools, and differentiated training for physically and mentally defective, or merely anæmic and backward children, for housing reform in all its aspects, and—if necessary—more drastic interference with parental responsibility. The cost would be trifling compared with the gain to the nation in virility and health.

Of special importance in this chain of preventive measures is the safeguarding of the transition from the discipline of school to the comparative freedom of industrial life. Undoubtedly, the time is ripe for some instalment of compulsory attendance at continuation schools, but excellent results may also be expected from an extension of the work of after-care committees,

lads' clubs, and other voluntary institutions, which already are at work with such conspicuous success. No system, however, would be complete without an effective protection of the young from the deteriorating effect of periods of unemployment. Nothing manufactures unemployables with more deadly speed and certainty than idleness in early manhood, the most impressionable period of life. Again and again I have studied the instances of lads who, having lost some post, were at first keenly on the alert for satisfactory regular work. Then they picked up inferior jobs, which they were ready to resign on the simplest provocation, but which lowered their standard nevertheless. One "catch-job" succeeded another, till they grew apathetic and their ambitions died. But if any of these lads, when he lost his first situation, had felt the guiding hand of a friend, able and willing to help him, he would not have loafed until, as it were, the tide of chance flung him upon some fresh

temporary occupation. To protect him against himself a new type of educational institution is required. It would be futile to expect him to go back to the elementary school, whence he has probably been proud to embark on his industrial career. Nor does he necessarily require a technical training, which will fit him for some particular post. But he should be under an influence at once kindly and masterful, a training which will render him more fit, if need be, for his particular career, and certainly more adaptable in general. His physical powers, and his powers of self-expression and of thought, should be encouraged, and he should receive a moral stimulus which will prevent his loss of self-respect and imbue him with sound principles of conduct. The most effective way of giving lads the help they need is to make attendance at training schools compulsory for every unemployed lad until he is nineteen. It would cost comparatively little, and be of incalculable good.

Moreover, it would not rouse strong opposition from the parents, for any trifling loss which they suffered in the way of odd coppers their lads might have earned by running an errand, or holding a horse, might be amply made up by the free provision of a substantial midday meal. The hours of work at these training schools might be six per day, with a whole holiday on Saturday, which would leave time to search for work, although, as the habit of using labour exchanges becomes more general among employers, the need for this will lessen. If such institutions formed part of the educational system in every centre of industry, one of the most fertile recruiting-grounds of the unfit would be closed once and for all.

Back to the Country.

Another great path to reform suggests itself when it is remembered that the evils outlined above have come into the life of the nation with the drift of the population

into the towns. If a much larger proportion of the industrial population were to live in the country the pernicious effects of slumdom, of ill-health arising from overcrowding, and of the unhealthy excitement of town life, could be vastly reduced, if not altogether abolished. If houses could be built, land obtained for gardens, and transit facilities so arranged as to secure for the workman a cheap and easy journey to and from his home, then unemployment, instead of being a source of danger, might one day become merely a temporary transference of labour from industrial work to work on the land. Casual workers, and men only temporarily interrupted in a regular industrial career, those too old for regular exertion, and those incapable of the nervous tension of factory work, would nearly always be able to find something to do—if not on their own plots of ground, then upon those of their neighbours. Instead of immediately facing starvation when work is scarce, the casual worker would apply himself to his

land: as the work became scarcer, he would increase his holding, borrowing the necessary capital from a Credit Bank, as is done on the Continent. There would be potatoes and green vegetables all the year round to stave off hunger; perhaps, aided by other members of his family, he could rear a pig, and he would no longer deteriorate into a loafer and recruit the hopeless army of the unfit.

Finally, the time has come for the nation to recognise its responsibility to those who are maimed in the battle of life, and to make a better provision for them than a scanty poor relief under degrading conditions. As for men who, when preventive and remedial measures have done their utmost, are still incorrigible loafers, their number cannot be large. In dealing with such men, if we are to safeguard the nation against them, no policy seems adequate but one of compulsory detention, humane, but effective. It will not be necessary here to dwell on the particular means that should

be adopted, since it is more important that greater public attention be given to preventive measures. The supremely important thing is that we should cease to manufacture "unemployables"—and our main efforts should be directed to this end.

VI

A NATIONAL MINIMUM WAGE

It was necessary to discuss at some length the problem of casual labour and of the unfit, before we could continue our examination of the means by which the condition of the working classes generally might be improved without the risk of checking capitalistic enterprises.

The question of a national minimum wage has forced itself upon public attention, both because of the insistent demand for a living wage on the part of the lowest paid classes of labour, and because, with the Trade Boards Act of 1909 and the Mines Regulation Act of 1912, we have already commenced as a nation to interfere with the free contract between capital and labour —so sacred to econonists of an earlier school.

A national minimum wage, entitling each worker to a remuneration independent of the productivity of his labour, merely on the authority of the State—is it desirable, is it practicable? How could it be fixed?

Progressive Efficiency.

First, in considering the desirability of a national minimum wage, none will quarrel with Mr. J. A. Hobson, when he says:

"In regarding the industrial system as a growing system, we must assign to labour two necessary payments out of the industrial income, first a subsistence wage required to maintain the labour portion of the system unimpaired, secondly, a wage of progressive efficiency required to evoke an increasing quantity of more effective labour-power. The former is a simple wear-and-tear fund, the latter an improvement fund. Both are necessary expenses of labour in a progressive industrial community."

But unfortunately in practice the industrial system cannot be regarded merely "as a growing concern." The employer as such is not primarily interested in keeping labour in excellent condition. What he wants is a sufficient supply of efficient labour to meet his immediate demand; and though ultimately this supply will be curtailed unless the whole nation allows a margin for wear-and-tear and for the stimulation of progressive efficiency, he cannot afford, under our present competitive system, to take a very long view. He can act with others, but not much in advance of them. In so far then as he represents immediate and limited rather than ultimate and general interests, his economic outlook must stand in marked contrast to that of the nation as a whole.

The question, therefore, resolves itself into this: How far is it desirable and practicable to override the immediate interests of the employer by imposing upon him obligations which are to the advantage

of the nation rather than his own? At what point would the application of compulsory interference merely alienate capital and leave labour high and dry on the bank of unemployment?

There will always be those who contend that any interference with the freedom of employers must drive capital out of the country. And yet the history of a century of progressive legal insistence upon a minimum of safety, sanitation, and hours of labour proves that these restrictions, so far from alienating capital from the industries affected, have almost invariably led to greater productivity, by ensuring a higher degree of health and efficiency among the workers.

Trade Union Action.

Let me say at once that for various reasons I think the enforcement of a minimum wage by trade union action is preferable to its enforcement by the State—but experience has shown that while,

generally speaking, skilled trades are quite capable of looking after themselves in this respect, the organisation of unskilled workers is, with certain exceptions, so difficult that if they are to secure the advantage of a fixed minimum, the State must come to their help.

What then should be the basis on which a minimum wage should be fixed ?

In the case of a man I think, undoubtedly, it would have to be the sum necessary to keep a family of average size (five persons) in a state of physical efficiency and to pay an economic rent for a sanitary dwelling ; in the case of a woman, the sum necessary to enable her to live independently in a state of physical efficiency.

I know this statement raises disputable points, but I maintain that the normal condition, which obviously is the only one which legislation should consider, is for an adult man to have a family dependent on him and for a woman not to have dependents. Any abnormal conditions must be dealt with apart from a general law.

THE ROOT OF THE PRESENT UNREST.

The minimum wage would of course vary locally, and be very different in town and country, but it would not exceed the resources of science and of our administrative machinery to calculate for every district the amount of nutriment required to maintain a family consisting, say, of father, mother and three children, *i.e.*, a family of average size, in physical efficiency, and the lowest possible cost at which this nutriment can be obtained. I have made such a calculation for York, based upon the most reliable data of physiologists as to the actual food required for persons employed in work demanding moderate muscular exertion, such, for instance, as the work of house painters, and have come to the conclusion that, with the prices reigning in 1913, the lowest figure at which this food can be provided is 13*s.* 9*d.* a week. To provide adequate nutriment for this sum would, however, require quite abnormal

economy and knowledge of food values on the part of the housewife. The weekly menu would include neither butcher's meat nor butter, and would be less attractive than that provided for able-bodied paupers in every workhouse in England or Wales. No one, therefore, can maintain that the dietary is extravagant. A sanitary dwelling of adequate size could seldom be obtained in most of our industrial centres at a rent of less than 5*s*. a week ; for clothing, fuel, washing, and all household sundries, not allowing a penny for fineries or the replacement of furniture, the most moderate sum which could be allowed would be another 5*s*. a week. Thus we arrive at 23*s*. 9*d*. as the absolute minimum below which the income of a family of five should not be allowed to fall in towns where rents are as much as 5*s*. a week, and the cost of food as high as it is in York (which, by the way, is not an expensive town). Even then we are far from such a sum as would be necessary for living in moderate comfort

in a civilised country, for not a penny has been allowed for savings, or provision against risks of ill-health, unemployment, and death, nor for newspapers, postage stamps, a tram ride once in a while, toys for the children, or contributions to church or chapel ; while beer, tobacco, sweets, and all forms of amusement are strictly tabooed. Yet even a life of such austerity, regulated by an economy, a sense of duty, and a practical wisdom which would be deemed exceptional in any other class of the community, is to-day inaccessible to the large majority of our labouring population. Here we have the very root of the present unrest. No boards of arbitration, no conciliation committees, no preaching, and no intimidation will avert strikes as long as such a condition continues on so large a scale.

The Price paid for Luxuries.

It may be argued that millions of working people in towns belong to families with incomes below the minimum suggested above,

but nevertheless seem able to find considerable sums for such luxuries as beer and tobacco, theatres, picture shows and so forth. I would, however, remind any reader who uses this argument of two facts: first, that the unskilled labourers who indulge in those things are largely those without families dependent on their earnings, *i.e.*, either young men or older men whose children have begun to earn—or, if this is not the case, the luxuries are obtained, and can only be obtained, at the cost of physical efficiency. The high death rates and disease rates in our poorer districts bear eloquent testimony that this price is paid.

That in some way or other every worker of average capacity should receive a living wage is, to my mind, sufficiently clear. If this could be secured by the workers without legislative interference, I think it would be preferable—but so long as a vast army of unemployed men are hanging on the outskirts of industry, anxious to enter its

ranks on almost any terms, the problem of organising unskilled labourers is practically insuperable. Every reduction in the amount of unemployment will render the task more easy of achievement, but although I have not the slightest doubt that the unemployed problem can be and ultimately will be solved, it is equally certain that we are a long way from its solution now—and meanwhile the injury done to the national life by low wages is incalculable. And so, although the establishment of a national minimum wage may not, in theory, be the ideal method of dealing with the problem, I see no alternative to its adoption. One by one I should extend the number of scheduled trades under the Trades Boards Act. So far as the experiment has gone it has been a signal success, and done immense good and very little harm. For reasons given in a previous chapter, it is to be expected that, when the payment of higher wages becomes compulsory, the trades concerned will soon adapt themselves

to the altered conditions—industry therefore will receive no shock, and the level of national life and national health will be sensibly raised.

VII

CO-OPERATION AND PROFIT-SHARING

It is impossible, in the space at my disposal, to review the many and intricate proposals for reform which have been advocated within the last two years as solutions of the labour problem. Some of them, such as tariff reform, socialism, and the single tax, which involve great changes in the whole structure of our industrial life, might or might not incidentally re-establish the harmony between capital and labour which is essential to national progress; but primarily, they are concerned with yet wider ends, which we cannot here discuss. Others, such as compulsory arbitration, the establishment of conciliation boards, or restrictions upon the actions of trades unions, only deal with the results

of discontent, and whether they would or would not be satisfactory in preventing strikes and lock-outs, they cannot be accepted as remedies for the evils of which these outbreaks of clashing interests are but the symptoms.

Two proposals, however, stand out among others as dealing with the economic causes of the prevailing discontent, and as aiming at nothing more than the further extension of methods of industrial peace which are already in operation and open to the study of impartial observers. They are co-operation, the organisation of production and distribution by the workers themselves for their own economic benefit, and profit-sharing, the participation of the workers in the profits of private enterprise.

Industrial Co-operation.

First, as to co-operation, few will deny that, as an ideal, it makes an appeal which only weighty arguments against the practicability or the desirability of its wider

extension could seriously weaken. In one form or another industrial co-operation is as old as industry itself: it represents the perennial effort of humanity to bring justice and solidarity into the struggle for existence, and to increase the productivity of labour by organising it on a larger scale and voluntarily associating it with invested capital. The co-operative movement of to-day, however, is but of recent growth, and its development as an economic force in the industrial life of the nation falls within the lifetime of many of my readers.

In 1862 the total membership of co-operative societies in the United Kingdom was less than 100,000: to-day it is nearly three millions; while the amount of the annual sales has increased in these fifty years from 2½ millions to over 140 millions, and the total capital from £428,000 to over 54 millions. Moreover, the business capacity which has achieved these excellent results has been combined with a desire for something better than a mere economic

advance. There has been a constant endeavour, not only to improve the conditions of labour for those directly employed under a co-operative régime, but to educate the consuming public in its obligations towards the producer. The sum devoted out of profits to educational purposes has risen from £3,000 in 1867 (the first year for which there is a record) to nearly £100,000 in 1912.

Yet the limitations of co-operative enterprises are becoming more apparent as the movement advances. It is obvious, for instance, that in extending its operations to new fields of labour it must meet with diminishing returns, in accordance with a well-established economic law, and that the profit per unit of capital and labour employed must fall correspondingly. Thus, in the period 1900 to 1911, the sales of the co-operative societies in the United Kingdom have increased by 68 per cent., but profits only by 46 per cent. As profits decrease, the members will reap smaller

dividends, until their loyalty is subjected to a severe strain.

Difficulties in the Way.

It was inevitable that the co-operative movement up to the present should make a strong appeal to the more enlightened sections of the working class. For, in starting with distributive organisation, enabling the members to secure the profits which otherwise go to middlemen, it had a clear advantage over private enterprise. On the productive side, though great progress has been made, the actual volume of transactions still seems small in comparison with the magnitude of the total turnover of the distributive societies. The total capital of the English Wholesale Society in 1912 was only £7,970,000, that of the Scottish Society £4,000,000, totalling to about a twelfth part of the turnover of the retail societies. And this represents a substantial advance upon the relation existing between the two factors, say,

twenty years ago, when the combined share capital of these two great concerns—the others are so small that they hardly count—only amounted to about five per cent. of the total turnover of the distributive societies.

The difficulties in the way of a large extension of productive co-operative enterprise are well summarised by Professor Marshall. "Since the hardest work of business management is generally that which makes the least outward show," he says, "those who work with their hands are apt to underrate the intensity of the strain involved in the highest work of engineering the business, and to grudge its being paid for at anything like as high a rate as it could earn elsewhere. And in fact the managers of a co-operative society seldom have the alertness, the inventiveness and the ready versatility of the ablest of those men who have been selected by the struggle for survival, and have been trained by the perfectly free and unfettered

responsibility of private business. Partly for those reasons, the co-operative system has seldom been carried out in its entirety; and its partial application has seldom succeeded well except in the task of retailing commodities consumed by working men—a task in which it has so many and so great special advantages that it is able to succeed in spite of defects."

These drawbacks notwithstanding, the co-operative movement in this country is in a thoroughly healthy condition. It has exerted a useful influence on ethical and social relationships, and has done a splendid work in increasing the standard of comfort in vast numbers of homes. Any, however, who look primarily to its development for a solution of the difficulties which exist between capital and labour will do well to remember that, in spite of its recent growth, its profits only form about one two-hundredth part of the general income of the nation.

Profit-Sharing and Co-Partnership.

In the matter of profit-sharing we find ourselves on more controversial ground. I include under this term the system by which, in addition to earning his full market rate of wages, the employee receives a bonus consisting of a definite share in the profits of the concern, and also the system commonly named "co-partnership," under which he acquires shares in the business. Quite recently this bond of co-operation between capital and labour has been commended by leading politicians as a valuable method of restoring peace between them.

Two hundred and thirty-two schemes of profit-sharing and co-partnership have been examined by the Labour Department of the Board of Trade, and are reported upon in the 15th Abstract of Labour Statistics (1912). As was to be expected, they have revealed a great variety of type and of scope. The first point of interest is that in most of them no express legal right of the workers'

participation in the profits has been established, but that the share allotted to them takes the form of a voluntary bonus on their regular wages. The amount available for the payment of the bonus is usually a fixed proportion of net profits, but this is not always the case. Sometimes a fixed rate of remuneration is added to the wage, as an acknowledgment of loyal service and of the compliance of the worker with exceptional conditions of employment. The proportion of profits allotted for division varies greatly in different concerns, from 10 per cent. in a few to $2\frac{1}{2}$ per cent. in others. It is important to observe that the share of the net profits allotted for distribution does not always pretend to stand in direct relation to the efforts put forward by the workers. In gas companies, for instance, the bonus paid on wages fluctuates with the demand for the output and the price charged for it, rather than with results which might depend on the efficiency of labour.

As a method for securing industrial peace, the system of profit-sharing is open to many objections. It is severely criticised by labour leaders on the ground that the more successful it is in attaching the workers' loyalty to their employers, the more liable it is to detach them from their fellow-workers elsewhere, and to weaken the unity of labour, whether for protective or aggressive purposes. They argue, too, that it is only a sop thrown to the workmen to make them contented with a share in the product of industry which still falls short of what is due to them. As to the employers themselves, the system is far from plain sailing, for in many businesses the profits depend much more on the state of the markets, and the wisdom and ability of the directors than on any difference in the devotion or enthusiasm of the employees. It would, therefore, not infrequently occur that, notwithstanding added efforts by the workers, the profit to be distributed at a year's end might be

much less than in the previous year, when the workers had not made so great an effort. Such a decrease would almost inevitably lead to suspicion and dissatisfaction, which it would be difficult to allay.

For these and other reasons, I do not believe that the methods of profit-sharing and co-partnership are at all likely to be widely extended.

The Land Question.

One fact which has been almost entirely neglected by the advocates of co-operation and of profit-sharing as a solution of the labour problem is that these schemes only provide, as a rule, for the co-ordination of two factors in the production of wealth, namely, capital and labour. The third factor, land, is left out. But it is just because the claims of this third factor have been so little disputed that we are faced to-day with some of the most serious obstacles to social progress. In the strike of miners, for instance, the dispute between

capital and labour could have been settled much more rapidly, had the claims of the land and royalty owners upon their share in the combined output been regarded as within the purview of practical re-arrangements. The rent which they derived from mining enterprise was looked upon as a fixed charge. It is obvious that in the interest of the nation the claim of one factor in the production of wealth should not have this arbitrary priority over the claims of the other two. Yet it is the case that, however much the interest upon industrial capital and wage may fluctuate, rents in industrial districts tend to remain stationary if not progressive.

We have seen, moreover, in earlier chapters, that to free the labour market of the surplus of permanently or temporarily unemployed men, it is essential that more land should be made available for the absorption of additional capital and labour. Land can only be withheld from use to suit the economic interest or mere caprice

of its owners because it represents a monopoly. If it fails voluntarily to associate with capital and labour for the production of wealth—and this is largely the case—Britannia will either have to fold her arms and see her capital leaving the country, and her labour struggling vainly against overwhelming odds, or devise some means of commandeering her own land to the extent and on the terms which are absolutely necessary for the fruitful employment of capital and labour.

VIII

THE COMING RELATION OF MASTERS AND MEN.

ALTHOUGH, in the previous chapters, I have often used the terms "Capital" and "Labour," I must warn the reader not to lose sight of the personal factor in economic relationships. The types represented in popular cartoons—"Capital" with a top hat on its double-chinned head and heavy gold chain hanging over an inflated waistcoat; "Labour" with a clay pipe and overflowing mug and an air of superb contempt for manual toil—are not by any means the contending parties in the industrial warfare of to-day. If the human aspect were brought out more forcibly in our discussions of the labour problem, perhaps we should have less wholesale condemnation of one class by another.

I have given sufficient facts to show that the conditions under which millions of our fellow-countrymen are working and living are such as no wealthy and Christian country should tolerate. The working classes, educated and alert, are determined to alter them, and the seething discontent of the last few years marks a turning point in the life of the nation. I am sure that we can face, without fear of industrial disaster, the prospect of a great improvement in the lot of the workers. As I have tried to demonstrate, it can to a large extent be brought about simply by a better organisation of the industrial machine. Wages can be raised substantially if employers will take full advantage of devices for reducing the cost of production. Hours can be shortened if the efficiency of labour is raised. By freeing the labour market from the casual and the unfit, by securing new outlets for unemployed labour, and giving the alternative of work on the land to thousands of unskilled men, the status of

the industrial worker will be so much improved that he can bargain with the capitalist upon a more equal footing.

Mutual Understanding Required.

All this entails, not merely the application of more science to industrial organisation, but a heightened feeling of responsibility among both employers and employed. If the task of social re-construction which we confront to-day is to be well and faithfully performed, it must be approached by masters and men alike in a spirit of forbearance and mutual understanding.

Recent events have shown the splendid solidarity of labour which has developed in this country. But it is a mistake to assume that this must lead inevitably to a class war. The arguments of Marx and Engels that the tendency of modern industry is towards a worsening of labour conditions, and that no improvement is possible until, with the growth of an unprecendented class consciousness, the workers band themselves

together in open hostility to their employers, are refuted by the history of the last fifty years. In spite of the growing disparity between the vast wealth of the few on the one hand, and the sordid conditions of the many on the other, common-sense and imagination have hitherto prevented the movement towards the emancipation of the workers in this country from deteriorating into bitter class warfare. The unrest which we now witness, as I said at the outset, is the outcome of a long process of education. But it requires guidance more urgently to-day than it ever did before.

Above all, masters and men must recognise those economic interests which bind them together much more closely than any which can sunder them. It is the success or non-success of their joint effort for the production of wealth on which the very existence of both depends. The consumer —whether he be at home or abroad—is the ultimate judge and paymaster of both. Do not let us imagine that more efficient

organisation will do everything. To secure an adequate improvement in the lot of the workers, sacrifices are required both from masters and from men. If the workers refuse to study the conditions of successful business management, if they demand concessions for which the capitalist and the consumer will not pay, they must not blame employers who shut the gate against them. If, on the other hand, employers are short-sighted enough to wait till their workers put on pressure, although they could afford, and actually should afford, to concede a larger share of the joint product, they must not complain if that pressure assumes forms objectionable to them, which may permanently injure their relation to the men.

Investigating Complaints.

We shall never return to the old days when masters and men, after working at the same bench, sat round the table at night over their beef and home-brewed.

The area of huge limited-liability companies has but begun, and with it has come a loss of that personal contact between employer and employed which smoothed away many difficulties in the past, and in which it was impossible for either to forget how closely he was concerned in the welfare of the other.

But even though employers can no longer know each employee personally, they can, if imbued with a sense of this mutual dependence, appoint men and women of the same outlook to act for them in the detailed management of the business. This is not a sentimental aspiration, but the dictate of reason and the lesson of experience. It is important, with the increasing distance between employers and employed, that full opportunities should be given to the latter for voicing any grievances, and that there should be a sympathetic investigation of their complaints. In this connection, I can see no reason why employers should not recognise trade union officials as representatives of their men. It is

not fair to expect an aggrieved worker—perhaps in a very subordinate position—to speak out before a meeting of directors on his own behalf, with the risk that his action may be mentally registered against him by his foreman, and injure his chance of promotion later on. His official representative could more openly and on a more equal footing discuss the point at issue, saving the employer not only the trouble of piecing together his information from the timid and partial evidence of men in fear of him, but helping him to remedy existing grievances before they have grown into full-blown issues of dispute.

Labour Demands.

It has been suggested that the only way to prevent strikes is to make them illegal, or to place such obstacles in the way of combination for aggressive purposes on the part of the workers that the same end is achieved indirectly. I am in entire disagreement with any such contention,

for although much can be done by measures of general amelioration, such as I have already outlined, to lessen the occurrence of serious disputes, it would be highly unjust and inexpedient for the nation to interfere with the weapon which at present is the only ultimate resort of workers determined to enforce their claims. Strikes are not entered upon as light-heartedly as some people imagine. In nearly every case, they entail much hardship, and if the workers are given adequate opportunity for a peaceful settlement of their differences with their employers, few will desire to undergo the privation and uncertainty of open conflict. One of the important features of the recent strikes has been the readiness with which sections of the workers who had nothing to gain for themselves have come to the aid of their weaker comrades. If the demands put forward were very unreasonable, there would be no such solidarity of labour. I see no reason to fear any

tendency for labour to become less reasonable in its demands. The more the conditions of the workers are improved the more they will develop prudence, and the more their knowledge and insight in questions of business management and economics will increase. They will learn to relate their personal and sectional problems to the larger problems of national life. They will also, probably, to a greater and greater extent recognise the exercise of their political power as the natural method of ameliorating their lot ; and no political party will be able, in the future, to neglect pressing social problems. With every improvement in the conditions of the workers, their stake in the country will grow, and they will be loth to endanger the security of the industrial life which is the basis of their own prosperity for a mere whim or trifling grievance. They will have to learn much. Their increased responsibility will extend to their private life as well as to their industrial careers. A

larger share of the nation's wealth means a more serious and important stewardship for the nation.

The Duty of the Churches.

The employing class, also, will have a lesson to learn before industrial peace can be securely established. Without some sacrifice on the part of the rich and the well-to-do, it is impossible to guarantee an adequate improvement in the lot of the poor, who will only be able to strive successfully for a larger share in the product of industry if, at the outset, they are safeguarded against the risks of starvation and decadence.

It is especially to the Christian Churches that the nation is entitled to look in this time of stress and conflict. Are they prepared to recognise frankly and gladly the claim of the labouring classes to a larger share in the good things of life? Will they use their influence on behalf of such legislative and economic changes as

will secure this? Or will they continue merely to preach brotherhood in the abstract? Unless mutual forbearance and sympathy form the ground-work of the national policy, no true progress is possible. It is only by translating our patriotism into the every-day acts of our commercial and industrial life that real national unity can be preserved, and the way can be smoothed for a harmonious co-ordination of the wealth-producing forces.

IX

THE SPECIAL PROBLEMS OF THE FARM WORKER

In this chapter I propose to single out for discussion the farm labourer, who, no less than the industrial worker, has given many signs in recent times of his profound discontent with the conditions under which he lives and works. I am not only referring to the short epidemic of strikes which took place in the summer of 1913. A far greater proof of the farm worker's dissatisfaction is to be found in the emigration figures.

In 1912, one in every fifty of the agriculturists in Great Britain left the country altogether, undoubtedly, in the great majority of instances, because they felt that their present condition and prospects were profoundly unsatisfactory; and this

proportion takes no account of the masses of men who flock into the towns of England. Three things must be done for the agricultural labourer if his lot is to be rendered sufficiently attractive to induce him to go on living in the English countryside. He must have a living wage; he must have a good house; and, lastly, he must have a prospect of rising to a position of independence.

What are the Agricultural Labourers' Wages?

According to the Census returns, the total number of male agricultural workers in England and Wales in 1911 was about a million. Of these 643,000 were agricultural labourers. It will be generally admitted that the prosperity of British agriculture is inextricably bound up with that of this great army of labourers. Now, unfortunately, it is true that, generally speaking, these men are among the worst-paid workers in Britain. Even allowing

for the cash value of all the perquisites which they receive, the average wage of ordinary agricultural labourers in England is only about 17*s.* 6*d.* If horsemen, cattlemen, and shepherds are included, the average wage is 18*s.* 4*d.* The slightly higher wages paid to the latter really represent little more than payment for overtime, for whereas the bulk of ordinary agricultural labourers work from 10 to 10½ hours daily, including Saturdays, throughout the summer months, men in charge of animals work longer hours each day and have Sunday duties as well.

Insufficient Wages.

There is no getting away from the fact that the great majority of agricultural labourers are in receipt of wages which are insufficient to maintain a family of moderate size in a state of physical efficiency. It would be impossible here fully to describe what this bare statement involves, especially where a young family

is entirely dependent upon the father's earnings: the physical unfitness and suffering, the constant anxiety lest the burden of debt should outgrow all possibility of ever meeting it, the absence of all the little comforts and luxuries which give zest to life. This, of course, does not apply universally. Wages vary enormously from district to district. Confining ourselves for the sake of simplicity to the ordinary labourers over 20 years of age, about 12½ per cent. live in counties where the average wage is under 16*s.*, 48 per cent. where it is between 16*s.* and 18*s.*, 37½ per cent. where it is between 18*s.* and 20*s.*, and less than 2 per cent. where it is over 20*s.*

As between one farm and another, however, the variations in wages are much greater than would appear from an examination of these county averages. There are thousands of men who are working for 13*s.* or 14*s.* per week, while on the other hand there are others who are getting 22*s.* and a house.

Can the wages of agricultural labourers

be raised, at any rate to the sum required to maintain them in a state of physical efficiency, without seriously disturbing the prosperity of the farming community? A close examination of the causes underlying the great variations in wages paid in different districts of England throws light on this question. It shows that these variations are not due to any difference in the quality of the soil, or the methods of agriculture, or the level of rents. They are due almost exclusively to the presence or absence of alternative employment for labourers. Where such an alternative employment exists, the farmers have been compelled to increase their wages in order to keep the labourers on their farms. And we find that such farmers are no less prosperous than those whose wages remain very low. They have adapted themselves to the new conditions, and economic pressure has forced them to discover for themselves that low-paid labour is not in the long run cheap labour.

Enforcing a Minimum.

Thus it may be assumed that, given time to adjust themselves to the new conditions, farmers can afford to pay higher wages. How can they be induced to do so? We have seen that, generally speaking, individual bargaining has failed, and experience has shown us that the difficulties of organising agricultural labourers into unions are so great, on account of the isolated conditions under which they live and work, that no important advance in wages can be hoped for in this direction. It is therefore now almost universally admitted that a material rise in the wages of agricultural labourers in the low-paid counties can only be brought about with the assistance of the Legislature.

If the present very serious depopulation of the countryside is to be checked, the immediate lot and the prospects of the agricultural labourer must be improved materially and at once. In low-paid counties, where men are receiving 14*s.* and

15*s.* a week, it is not a question of adding 1*s.* or 1*s.* 6*d.* to their wages ; wages must be quickly raised to an efficiency level. It is therefore proposed that it shall be a statutory duty, resting upon whatever body fixes minimum wages, to enforce a wage sufficient to maintain a family of moderate size in a state of physical efficiency, and to enable them to pay an economic rent for a cottage.

This will mean a very material rise in the low-paid counties. Of course, it must not be imagined that the extra sum paid in wages will be a net loss to the farmer. Very soon, if not immediately, he will get much better service from his men. Moreover, he will soon introduce improvements in the organisation of his labour. But allowing for all this, he may sometimes find that he himself cannot secure a fair remuneration, after paying a living wage to his men, without a reduction of rent, and so, if a serious dislocation of the agricultural industry is to be avoided, the land-

owner must, at any rate for a time, share with the farmer the liability to meet the increased wage. It is therefore an essential part of minimum wage legislation that the farmer shall have the right to go to some tribunal and lay his facts and figures before it, and say that in view of the increased demand made upon him he must claim a reduction in his rent.

Establishing the Tribunal.

The question now arises what tribunal is the best for fixing a minimum wage? Shall it be a Trade Board, as in the case of many low-paid industries, or shall the body which fixes rents also fix wages? A good deal can be said for both proposals. While I believe no definite decision has been come to, it would seem that at present the Government rather favours the latter, holding that the fixing of wages and the fixing of rents are so intimately associated one with another that they cannot be considered separately. They therefore pro-

pose that Commissioners shall be appointed who will go into a locality, ascertain what is the sum necessary to maintain a labourer's family in a state of physical efficiency, fix that sum as the minimum payable to labourers, making exceptions for aged and infirm persons, and at the same time deal with any claims for rent reductions on the part of the farmers.

This proposal is simple, logical, and businesslike. It is possible that arguments may be put forward in favour of the fixing of wages by a Trade Board, upon which farmers and labourers shall sit under the chairmanship of an impartial person, which may lead to the modification of the present proposals. But the important thing is to establish the principle of a living wage for agricultural labourers.

A Healthy Home and a Garden Plot.

Few social questions have received more attention during the last few years than

that of rural housing. The nation has become thoroughly alive to the fact that the conditions under which the agricultural labouring class is housed are often intolerably bad. Let us first very briefly review those conditions, and then consider the various proposals which have been made for remedying them.

The most exhaustive investigation into housing conditions which has been made in recent years is that of the Land Inquiry Committee, which collected evidence regarding housing in no less than 3,000 villages in England and Wales. As a result of their inquiries they came to the following conclusions : First, that there is a most serious deficiency in the supply of cottages. Second, that a considerable proportion of the cottages at present occupied are quite unfit for human occupation, but cannot be demolished because there is nowhere else for the occupants to go. Owing to the shortage of houses, many people are driven from the villages ; some do not

marry because they can find no house to live in ; others, though married, have to go on living with their parents, and many children are boarded out because there is no room for them at home. The most shocking overcrowding is found, leading to the worst forms of immorality and to the spread of disease ; and, lastly, those evils which must always be associated in some measure with tied cottages are infinitely more acute than they would be if an ample supply of houses were available.

Of course, these conditions are not universal—there are villages where landowners take a pride in seeing that the labourers are well housed. But it is a fact that in the majority of villages in England and Wales there is a dearth of cottages, and, consequently, cottages are now occupied which are dark, damp, and unhealthy, and would be closed if existing legislation were enforced. How is this state of things to be remedied ?

The Dearth of Cottages.

The dearth of cottages is primarily due to the fact that, as a rule, the labourer's wage is so low that he cannot pay an economic rent for his cottage—the usual rent paid being 1*s.* 6*d.* or 2*s.* This means, of course, that no speculating builder will touch the problem, and if the landowner does not build, no one else will. Now, in spite of honourable exceptions, the majority of landowners only build when they are forced to do so, that is, when they cannot let farms without providing accommodation for the labourers necessary to their cultivation. And if labourers can by any means be induced to put up with the existing conditions, then the landlord will not build. This may be due to his want of capital, but, whatever the cause, the result is a serious dearth in the supply of cottages.

Two remedies are suggested. One has been proposed in the two Bills recently introduced into Parliament by Unionist members. It is that labourers shall con-

tinue to pay for their cottages a sum which is far short of an economic rent, and that the deficiency shall be made good partly by a grant from the State and partly from local rates. It is based on the assumption that British agriculture cannot afford to pay the labourers engaged in it a wage which allows them to pay an economic rent for their cottages, and that, in consequence, the industry must be subsidised from public money. I have no doubt that the authors of this proposal are fully alive to the economic dangers and the injustice to the general body of taxpayers and ratepayers which it involves, but they are so conscious of the evils of our present housing conditions that they are prepared to run almost any risk. They believe that a Housing Bill involving a subsidy could be carried and put into force quickly, but that, even with the help of legislation, wages can only be gradually raised, and that long years must elapse before they reach a level which will enable the labourers

to pay an economic rent, and thus facilitate the erection of an adequate supply of cottages.

I have pointed out that wages can be raised quickly and drastically if the landlord is called upon to share the burden with the farmer. If effect is given to this view, the case for the very unsound expedient of subsidising labourers' rents from public funds falls to the ground. The alternative is, as we have seen, to raise labourers' wages so substantially that they can pay a commercial rent for their cottages.

Who is to Build ?

We must next ask, who is to build the cottages ? The proposal contained in the Report of the Land Inquiry Committee was that, following on the establishment of a minimum wage for labourers, the statutory duty already imposed upon local authorities of providing an adequate supply of healthy houses for those working in their areas should be more strictly enforced.

The Committee suggested that a large grant-in-aid should be made by the Imperial Exchequer to local authorities, conditionally upon the faithful fulfilment of this duty on their part. The grant-in-aid would be forfeited if an adequate supply of houses was not maintained. The Government, however, have expressed the opinion that the immediate provision of a very large number of houses is so urgent that the State itself must provide them. They therefore propose that an inquiry should be made to ascertain where cottages are needed, and that the State should purchase land, if necessary by compulsion, and should erect the cottages and let them at commercial rents. There is no doubt that the adoption of this scheme would result in making good the deficiency in rural housing more rapidly than if the matter were left to local authorities, even under the conditions outlined above, and the provision of an adequate supply of houses is a matter of such supreme importance that excep-

tional measures may be justified. Personally I would suggest that if, after full consideration, the Government decide upon this course of action, they should fix a specific number of houses, and say, " In order to make up the leeway we ourselves will erect these houses, but afterwards the duty of maintaining an adequate supply of houses will devolve upon the local authorities."

It seems difficult to separate permanently the duty of sanitary administration—which includes the closing of unhealthy cottages—from that of seeing that the deficiency made in this way is supplied by the erection of new ones. And it will scarcely be denied that the management of small groups of cottages in more than half the rural parishes of England and Wales would prove more expensive if undertaken by a central department than by the authority on the spot.

Plot of Land with Cottage.

Attached to the new cottages there must be a substantial piece of ground. The

possession of a piece of land large enough at any rate to provide vegetables for his family is an important step in improving the prospects of the agricultural labourer. It leads up to the allotment, the small holding, and eventually to the little farm.

There is a very striking contrast between the lot of agricultural labourers in this country and their lot abroad. Here the majority of them remain labourers all their lives, whereas in such countries as Denmark, Holland, Belgium, France, Switzerland, and Western Germany the majority become small holders. In some way it must be rendered easier than it is at present for the paid labourer to rise, and the first step in his evolution into an independent man is to give him a plot of land to cultivate. Prior to taking this step, however, there must be legal restriction of his hours of work. I have shown that it is proposed that on the average not less than a quarter of an acre of land shall be attached to each of the 100,000 or 120,000 houses which the

Government intends to build. Some may have rather more, others rather less, but the intention is that not more than four houses shall be built to each acre. It may not always be practicable to have the land actually adjacent to the house, but it will always be as near as can possibly be contrived. So far as the residents in these houses are concerned this will be a distinct step forward, but it is only one step.

Suitable Allotments.

Next is the provision, wherever they are required, of an adequate supply of allotments. One often hears it said that allotments, where provided, are not taken advantage of by the labourer. This may be true, but it is only a half-truth, for upon investigating the villages of which this complaint is made it is usually found that the allotments are either on very bad land or are situated at a great distance from the labourers' homes. Take the following

instances from the Report of the Land Inquiry :—

Sussex (E. 172).—This ground is hired by the Parish Council, which pays 6*d.* per rood to the owner, and charges 7*d.* It is stony and poor land, being principally a disused gravel pit. It is almost the only bad land in the parish.

Oxfordshire (E. 252).—The allotments are quite a mile from the cottages, and bounded by a wood. Hence rabbits are very troublesome.

Oxfordshire (E. 96).—The field set apart for allotments is subject to floods, and is nearly a mile from the village. The new rules demand rent in advance and a year's rent at that.

Norfolk (C. 98).—The allotments are too far away, being a distance of two miles from the centre of the village.

Lincolnshire (C. 28).—They are one mile away. This makes it hard for the labourers to work them properly and get manure to them.

Moreover, the long hours which the labourers are at present working must be borne in mind in considering the extent to which allotments are utilised at the present time. Again, the duty of providing them rests with the parish council, which may only acquire the land voluntarily. If they fail in doing this their only resort is to ask the county council to put into force its power for compulsory acquisition. Sometimes the parish councils are apathetic, and practically ignore any appeals made to them to provide allotments. Sometimes the county council is apathetic, and does not use its compulsory powers of purchase, and in consequence of all these difficulties there is at present an enormous unsatisfied demand for allotments. In about one-third of the parishes in England there are no allotments at all, and in many of the others not nearly so many as are wanted.

Compulsory Acquisition of Land.

The proposals of the Land Inquiry Committee are that parish councils should have the right of acquiring land compulsorily on application to the Land Commissioners —a body which the Government intends to set up—and the price paid for the land will not be competitive, but a fair price fixed by the Commissioners. Moreover, it is proposed that grants in aid should be given to local authorities. By threatening to withhold such grants, the Central Authority will be able to stimulate apathetic Councils to perform their duties, including the adequate supply of allotments.

What I have said of allotments applies also to small holdings. A labourer who has done well on his allotment may want to take more land and to acquire a small holding. At present application for a small holding must be made to the county council, and many county councils are out of sympathy with the development of small holdings. They consist of landlords and

of farmers who are afraid, on the one hand, that the labourer who has a bit of land of his own may become "too independent," and on the other hand, that if the demand for small holdings is encouraged they may have to give up some of their own land to satisfy it. Thus, while a few county councils have done their very best to meet the need for small holdings, others have put every kind of obstacle in the way of those who applied for them. Indeed, in some districts, for a labourer to apply for a small holding has made him a marked man, and it has become clear to him that unless he wished to be boycotted by the farmers he must withdraw his application.

Obstacles to Small Holdings.

There is abundant evidence of the pressure which is put upon labourers by farmers and others in some districts. But even in the case of county councils which have been thoroughly sympathetic with the small holding movement, there has been real difficulty in acquiring land at prices which

would allow it to be let at rents which small holders could afford to pay. If the council went into the market to buy land for small holdings, the very fact that the demand came from a public body put up the price, and even apart from this, it had to pay a competitive price determined largely by the fact that there were men so anxious, for one reason or another, to secure land, that they were willing to pay more for it than it was really worth. Sometimes the would-be purchaser desired the land for sport or pleasure, and was indifferent to the return which it would yield upon his capital. Sometimes farmers unable to obtain farms were driven by something approaching desperation to offer almost any figure to get land.

The Government proposals, however, if carried out, will entirely alter this condition of things. Where allotments or small holdings are wanted, compulsory powers will be given to the county councils to acquire land, not at a competitive price,

but at a fair price fixed by the Commissioners. Thus the facility with which a labourer can obtain land will be enormously increased. The fact that he has a little bit of land attached to his cottage, and that he has reasonable security of tenure of that cottage, will make him more independent and less susceptible to any pressure which may be exerted to prevent him from applying for an allotment or small holding. Secondly, local authorities will be given the powers of acquiring land for allotments and small holdings, not at competitive prices, but at fair prices ; and, lastly, the substantial grants in aid of rates offered to the local bodies will be made conditional upon the faithful fulfilment of their statutory duty of meeting the demand for allotments and small holdings in their localities.

In conclusion, the reforms which are necessary to bring about a healthier relation of the wealth-producing factors must be based, in the country no less than in the towns, upon a recognition of the human

element which enters into the process. No permanent improvement in any industry, urban or rural, is possible which does not include the safeguarding of at least a bare sufficiency for all workers engaged in it. Every agricultural labourer must have a healthy house in which it is possible to bring up a family without undue overcrowding ; he must have a sufficient wage to enable him to pay a commercial rent for that house ; he must have reasonable security in its tenure, and in the case of new cottages a substantial piece of land attached. Only thus can the migration to the towns and to the colonies be arrested. And, if carried out in their entirety, what a magical change these reforms will work in the lot of the farm workers of Britain and in the prosperity of her countryside ! *

* For a fuller discussion of the standard of life involved by the rates of wages normally received at present by agricultural labourers, see "How the Labourer Lives," by B. S. Rowntree and May Kendall (Nelson, 1913), which contains a collection of budgets of household expenditure, analysed so as to show their relation to the minimum expenditure required to secure physical efficiency.

THE
PROBLEM OF UNEMPLOYMENT

I

THE EXTENT OF THE EVIL.

STRANGE as it may seem, although unemployment occupies so large a share of public attention, we have very little idea of its actual extent in Great Britain or in any other country. We cannot even say with certainty whether it is more or less acute in foreign countries than it is with us.

This is, in the first instance, because it is so difficult to define. We know, of course, that a labourer is unemployed if he has lost a post which he has filled for years, and is tramping the streets, vainly seeking for fresh work. But are we to call a man unemployed who is ill, but whose work is waiting for him so soon as he is well enough to go to it ?

What of the old man who relinquishes regular work through age ? Perhaps he would be glad of some " pensioner's " job

which required little physical vigour or alertness, but he cannot find it, and is not fit for anything else.

Again, are we to count as "unemployed" on one of his "off days" the casual who never works more than four days a week, and whose scheme of life is based on that assumption? Perhaps he would take a regular job if it came his way, but for years he has subsisted on four days' work a week, which he can always rely on getting, and he is not looking for anything else.

Reckoning Two-Thirds Time.

Or take another case. If six hundred men are working, and the demand for their labour is reduced by one-third, the difficulty may either be met by discharging 200, who would then, of course, be counted as unemployed, or by putting all on two-thirds time. If the latter expedient be chosen, can the partial unemployment of such men be disregarded?

Such border line cases, which could be

multiplied indefinitely, show the great difficulty of preparing statistics which accurately gauge the extent of this evil. And yet it is of immense importance to prepare them, because unemployment is a symptom of grave social disease. If we could diagnose the comparative severity of the disease in different countries, having different laws or social systems, it would materially aid us in arriving at some safe basis for practical remedies.

At the present time a committee of the International Association on Unemployment is seeking to establish some common ground, and it is sincerely to be hoped that success may attend its efforts.

The principal sources of information which exist in this country as to the amount of unemployment are to be found in the *Labour Gazette,* published monthly by the Board of Trade. They consist of reports from a number of trade unions as to the percentage of their numbers unemployed, reports from various employers as to the

number of persons employed by them on a given day each month, returns from labour exchanges and distress committees, and certain miscellaneous information regarding particular trades.

All this information helps us to a knowledge of the fluctuations in the demand for labour, but, except in the first case (returns from trades unions), they scarcely help us at all to form even the roughest estimate of the total volume of unemployment.

A Test at York.

Even the trade union figures only help us a little way in this direction, firstly, because they only refer to one quarter of the trade unionists in the country ; secondly, because the degree of regularity of work in the unions which send in returns cannot be assumed to be the same as in unions connected with other trades (*e.g.*, the employment of railway workers, who do not furnish returns, is more regular than that of the

shipbuilders, who do) ; and, lastly, because the figures are almost exclusively concerned with skilled trades, and give us no information with regard to the extent of unemployment among unskilled workers.

But although there are no official figures showing the total volume of unemployment, some idea of this may be gained from an examination of the proportion of unemployed trade unionists. An examination of their returns shows that the percentage of unemployed members varies from 2·2 per cent. in the best times to 9·5 per cent. in the worst times. The average for the last ten years has been 5·4 per cent.

Although the limited extent of our knowledge prevents us from speaking with any detailed certainty, we may safely assert that for various reasons, which cannot here be entered into, it is unlikely that the amount of unemployment among workers generally is materially lower than among trade unionists.

If this be so, it means that the number

of unemployed workers varies from about 330,000 in the best times to 1,425,000 in the worst times, or say an average of between 800,000 and 900,000. A very rough test may be applied to show whether these figures are at all likely to be true. In 1910, in company with Mr. Lasker, I made a very detailed inquiry regarding unemployment in York.*

On June 7th to 9th of that year we employed sixty men to make a house-to-house investigation of the city, and to ascertain in each household whether any members were unemployed on June 7th, taking as our definition "a person is unemployed who is seeking work for wages, but unable to find any suited to his capacities and under conditions which are reasonable, judged by local standards."

Although it was a fine day in the middle of summer, and although trade was rather above the average (though not "booming")

* "Unemployment, a Social Study," Macmillan, 1911.

we found 1,278 unemployed workers (1,139 males and 139 females) in a population of 82,000.

Suppose this proportion were typical of the whole country, that would give a total of about 700,000 unemployed persons, which is roughly what might have been expected from an examination of the trade union figures.

Of course, we should not be justified in attempting to make the York figures prove too much, but I think that, taken along with the trade union figures, they certainly show that we are well within the mark in assuming that, taking bad and good times together, not less than half a million workers are unemployed in this country on any given day.

Figures for Other Countries.

Before proceeding to other matters, let me for a moment refer to the unemployment statistics of certain other countries. According to official figures, the proportion

of unemployed workers during the last two years in the various countries which furnish returns was as follows:—

	1912. Per cent.	1913. Per cent.
Great Britain . . .	3·2*	2·1
Germany . . .	2·0	2·9
France	6·0	5·3
United States (New York) .	15·2	†
United States (Massachusetts) . . .	5·2	†

No other States in America publish statistics.

Difficulties of Comparison.

It is perfectly certain that the above figures, which are the only official ones available, cannot be compared one with the other; indeed, in the report of the inquiry into the standard of living and the wages in Germany published by the Board of

* Omitting the months affected by the coal strike, the percentage was 2·4.

† Figures not yet published

Trade (Cd. 4032, 1908), 3½ closely printed pages are devoted to a demonstration of the fact that German trade union statistics of unemployment are not comparable with the British ones, and month by month readers of the Board of Trade *Labour Gazette* are specially warned against making comparisons between the foreign and English statistics, because there are vitally important differences in the methods adopted in preparing them.

The only fact that is certain is that in all civilised countries there is a vast amount of unemployment, and we really do not know whether it is, on the average, greater or less in Great Britain than in Germany or France or America.

II

WHAT UNEMPLOYMENT IS COSTING THE NATION

We have seen that, taking the average of good and bad years, the daily total number of unemployed persons in Great Britain is probably not less than half a million.

Let us see what is the financial loss which results from their enforced idleness. Since the number includes many skilled men, whose wages, when in work, would be over £2 a week, and since not many men would be receiving much less than £1 a week if working, it will certainly be safe to take an all-round average figure of £1 a week as the wage value of the labour which is standing idle. So we arrive at a total of half a

million pounds a week, or twenty-six million pounds a year as a low estimate of the *direct* loss to the nation through unemployment.

The Loss in Physique.

But, of course, wages are only one item of the loss, because for every worker unemployed there is an equivalent in land and capital (or raw material) standing idle, and yielding no profit to the owner. If the loss in profit on these were also taken into account, it would enormously swell the total of twenty-six million pounds.

But the story of loss is only just begun. We have still to reckon with the loss in physique and moral power which the unemployed experience.

In connection with my inquiry in York I traced back the industrial history of those I found unemployed on the census day, wherever possible, to school days. Of

course, I always knew that a period of unemployment deteriorates a man, but not until I had 1,200 unemployed persons passed in review, as it were, before me did I recognise the extent of the national loss from this cause.

First, there is the physical deterioration which follows from a lengthened period of unemployment, and in this connection it is interesting to note that of 269 able-bodied unemployed men who had previously been in regular work, and whose records I examined in York, 50 per cent. had been out of work for six months and 23 per cent. for over a year.

Of course, a number of these had other members of the family working, and had themselves picked up catch jobs, and thus were not entirely without resources, but undoubtedly, in a large proportion of cases, as soon as a man falls out of work it means that he and his family go short of food, the degree of starvation increasing with the period of unemployment.

Credit at the Corner Shop.

The actual savings of an ordinary workman are seldom great—indeed, in the case of the unskilled labourer with a family there are generally none at all, and credit at the corner shop does not last for ever.

I was able, in York, to obtain household budgets from some unemployed families, and I found that the best fed were only getting two-thirds and the worst fed only one-third of the food necessary for the maintenance of physical efficiency.

The health of the people living under such conditions very rapidly deteriorates, and the loss of physical vigour is only slowly made good after the actual starvation ceases.

Building up muscular tissue is always a slow process, even when the food supply is generous, but it is much slower when a large proportion of the wage each week has to go to pay off debts contracted when no wage was coming in.

Moreover, we must never forget that not only the present but the future generation of workers is affected. The children in the unemployed families suffer as well as their parents, and, stunted in their growing period, they may experience a " set back " from which they will never recover.

Thus one generation of under-employed and poverty-stricken workers, by being unable to rear strong and vigorous children, fit to enter on profitable careers of permanent work, is apt to perpetuate the problem of unemployment.

Desperately Dangerous Belief.

Another great loss to the nation is to be found in the high disease rate directly attributable to the underfeeding, and poor housing accommodation, consequent upon unemployment. I wonder how many germs of consumption and other diseases take root when the power of bodily resistance is weakened through starvation, at times when no wage is coming in. I fancy, if

we could only ascertain the facts in regard to this, they would be of a startling character.

We have still to reckon with the loss in industrial and mental efficiency and in *morale.*

I have heard it said that a man can be neither a poet, a philosopher, a statesman, or a lover unless he has had something to eat during the last forty-eight hours. The statement reminds us that ultimately both brain and heart depend for their sustenance upon the food we eat, and when that food is lacking we become indifferent to the things which we normally care a great deal about.

When we remember the millions of pounds and the anxious care devoted to developing the people's powers of heart and mind, we begin to realise how great is the national waste from every year allowing some hundreds of thousands of men and women to fall into a condition in which those powers are idly squandered.

Apart from its physical effects, unemployment is demoralising from the psychological point of view. Continued lack of success in the effort to secure work almost inevitably leads a man to consider himself a failure, always a desperately dangerous belief to hold.

A Nation without Ideals is Doomed.

Another important item of national loss is that skilled workmen, unable to obtain work at their own trade, and driven by the force of necessity to obtain money somehow, often take unskilled work, sometimes permanently, sometimes casually, thus jeopardising both their industrial efficiency, on which, perhaps, many years of training have been spent, and the chance of rising again to their former position.

But there is something else to remember. Unless we cope with this evil it will cost us more than the physical energy, the efficiency, and the reliability of a great con-

tingent of our workers. It will imperil our national life.

I do not wish to introduce religious phraseology into an economic essay, but our national life is, after all, built on ideals. It is built on faith in something unseen—whether we call that something God, or a "life force," or a "purpose in things." And it is in its very essence an endeavour to realise its ideals, to fulfil its faith, by harmonious co-operation—a co-operation in which every individual is of vital importance to the State, and the State is of vital importance to every individual.

Now one need not be a prophet to see that the present state of things, in which hundreds of thousands of people have lost all faith in their own value, either to the State or to themselves, simply means, if it continues, class warfare and national decay.

I am not speaking sentimentally, and I appeal to the verdict of history, when I say that a people without ideals and without

comradeship is a doomed people, for it is stricken by that poverty of soul of which the grinding material poverty it tolerates within its bounds is only one of the symptoms.

III

THE PROBLEM OF UNDER-EMPLOYMENT

In a previous chapter I dealt with the problem of casual labour. The present review of the problem of unemployment would not, however, be complete without examining the effect upon it of the existence, through times of good trade as well as those of industrial stagnation, of a large army of casual workers.

The term "casual worker" is a very wide one, covering on the one hand the "station tout," who subsists on absolutely precarious jobs, for which he occasionally fights the competing members of his fraternity, much as a sparrow fights for a crumb of bread; and on the other hand, the man whose employment may sometimes last for weeks or months together,

but who is always subject to a day's or an hour's notice.

Such a man, though much better off than the station tout, is in a far less secure position than the regular worker, who not infrequently works all his life for one employer.

Between these two types of casual worker is an army of men representing all degrees of insecurity. What is the size of this army? We cannot say definitely. The Report of the Poor Law Commission speaks of them as "numbering at least 1,250,000 wage-earners, and possibly twice as many," and from such investigation as I myself have been able to make I do not consider this an over-estimate.

"A Terrible Blot."

The problem of casual labour is, from the national standpoint, almost as serious as that of total unemployment. It is a terrible blot upon our industrial system that in hundreds of thousands of homes

there can never be any certainty from week to week what the family income is likely to be. Frequently the housewife does not know whether there is going to be any income at all.

How can persons living in such conditions progress ? How can the children be taught methodical habits ? How can the most ordinary rules of health be observed, when one week there is a sufficiency, and the next week clothes must be pawned and the family put on half rations ? How can men and women have that freedom from anxiety regarding the material things of life which is essential for intellectual, and very largely for moral, development ?

A very little thought will enable us to grasp the magnitude of this national evil, closely linked with another evil, the work of married women, which impoverishes the whole family life. Home industries, generally sweated, rise and flourish where casual labour abounds, as round the docks in East London.

It will be amply worth while to devote the remainder of this chapter to a consideration of the causes of casual labour, and the steps which should be taken to lessen it. Fortunately, we have been very much helped to an understanding of the problem by Mr. Beveridge's book on unemployment, published in 1909.

Casual labour arises principally from the fact that the demand for workers in many industries varies, either seasonally or from day to day. Employers find it to their advantage to take men on temporarily when they are busy, and discharge them as soon as their demand for labour slackens.

But that a body of workers may always be available in times of stress, each employer makes a habit of sharing out the extra work pretty evenly among a number of men who, even though none get permanent employment, think it better worth while to wait outside that particular gate than to seek work elsewhere.

Pool the Reserves.

In many cases different employers, each keeping his private band of reserve workers, are in the same trade, or are, at any rate, engaged in trades whose unskilled workers would be interchangeable. Now, although it never chances that the maximum demand for workers is made on the same day by each employer, each maintains a reserve of workers large enough to cope with his own maximum demand.

If only it were possible, therefore, to pool these reserves, the size of the common reserve would be much smaller than the sum of the individual reserves, since it need not exceed the maximum demand for workers which might conceivably be made on any given day by all the employers.

As I have pointed out (pp. 43 *et seq.*), this pooling of labour reserves can be secured by new forms of organisation rendered possible by the Government Labour Exchanges.

Such an organisation of the casual labour market has two consequences:

(1) It gives much more regular work to a proportion of the casual workers. Indeed, by a process of dovetailing work offered by different employers, absolutely regular work can be found for a considerable number.

(2) It squeezes out a certain proportion of workers altogether.

In a word, it concentrates all the work on some of the workers at the expense of the others.

The Labour Exchanges, undoubtedly, can do much to bring about this result.

But at first sight it seems a cruel thing to squeeze out certain men, who before labour is "decasualised" do at any rate manage to scrape together an existence wage.

Is the Country Overstocked?

The question whether "decasualisation" is a sound theory depends on whether the squeezed out men, on finding they can no

longer pick up casual jobs as heretofore, can obtain other work. Now this raises the very important question whether this country is really overstocked with workers —or whether with a little social re-organisation the unemployed could be absorbed.

All wealth is produced by the co-operation of three factors—land, labour and capital. Whether a surplus of any one of the factors can be absorbed depends on whether there are surpluses of the other two which can be brought to co-operate with it.

I think that none will deny that there is in this country a large surplus of unused, or only partially used, land and capital. There is, for instance, abundant evidence that by more intensive culture the yield of land could, in many districts, be greatly increased.

If we cultivated our soil as intensively as they do in Belgium we should employ three million more agricultural workers than we do now, a number enormously greater than

the sum of all our unemployed and casual workers. And as for capital, every one knows that it is available to an almost unlimited degree if a suitable investment awaits it.

Meanwhile, the demand for wealth is never satisfied. And so we are confronted by a people anxious for more wealth, while land, labour and capital—the three factors which go to its production—are all lying idle and spoiling for want of use. Surely it cannot pass the power of intelligent statesmanship to bring them into unison.

What the State must Do.

All the facts are against any theory that we have reached or are remotely approaching the point when the absorption of more labour in this country is impossible. I have not at present the space to prove my assertion, but Mr. Beveridge makes it abundantly clear in his book that the problem of unemployment is not worse than half a century ago, and that the time

when we cannot, if we organise industry aright, absorb our labouring population "has not come; it is not within sight; it can barely be imagined."

And therefore, as a general principle, we may take it that it is wise so to organise the labour market that, so far as possible, all available casual work is given to a selected list of men, who thus invariably get either a full week (though often for different employers) or nearly a full week, although a certain proportion of those who previously shared the whole amount of casual work are thus squeezed out.

Of course the State, in the measure that it decasualises labour, must absorb the squeezed out workers, and how this may be done will be discussed later. Individual employers may themselves largely decasualise labour, each seeking to give regular work to as many of his men as possible, and to maintain the smallest possible reserve of casual workers; but any organisation of the labour market on a

complete and really effective scale will only be practicable if the use of Labour Exchanges becomes general.

Although I know they are open to criticism in certain respects, the importance of organising the labour market, so as to reduce the supply of casual labour to the minimum, is so urgent that I trust any who read these words will seek so far as possible to employ at any rate all their casual labour through the Exchanges.

IV

ALTERNATIVE EMPLOYMENT FOR WORKMEN

In previous chapters I have spoken of the organised decentralisation of our town populations as being an important factor in the solution of the problem of unemployment. I have made it clear, I hope, that I do not advance this suggestion as a panacea. Unemployment is a social disease due to complex causes, which can only be adequately dealt with by a careful study of these causes and the application of a number of different remedies. I mistrust the man who tells me of a single panacea which will cure the evil, and I agree with Rabelais in his famous aphorism : " Beware

of men who peer out of one hole ; they are rabbits ! "

But it may be worth while to inquire a little more closely into the merits of this proposal. It is based upon four years of close study of the advantages which Belgium derives from enabling a large proportion of her town workers to reside in the country.*

The Case of the Belgian Workmen.

In Belgium, although less than a quarter of the workers are engaged in agriculture, more than half of the population is living in the country. This means that probably over a third of the industrial workers are country dwellers.

Let us look at the facts in some detail, and see what is the bearing of this condition of things upon the problem of

* See " Land and Labour: Lessons from Belgium," Macmillan, 1910.

unemployment, and what steps would be necessary if we imitated the Belgian example.

First, contrast the lot of an unemployed Belgian artisan residing in the country with that of an unemployed English workman residing in the town.

The Antwerp docker travels to the dock from the country early in the morning. If he sees there is little prospect of work he does not hang about all day as does the London docker, but immediately returns home, using his cheap workman's ticket for the purpose, and spends the day working in his garden or small holding. He is, indeed, a man with two trades : a gardener and a docker.

Or take the bricklayer who works in Brussels. When work is slack, as it so often is in winter, he does not come into town at all, but stays in the country doing the heavy work upon his land. Then, when he is busy at his trade, he leaves his wife and children to keep things going in the

garden, to feed the goat and the poultry, to prick out the salads and cabbages.

Very often, too, living as he does in the country, and being accustomed to working on the land, he is able, when no work is available at his own trade, to find employment with neighbouring farmers.

The Country Child's Physique.

Think of the advantage to his children, who live, not in an overcrowded street, but in the open country, in a much larger house than could possibly be afforded in the city, where far higher rents prevail. They grow up accustomed to country life and with a physique much stronger than that of their fellows in the town.

Certainly, if a period of unemployment be long continued, the country dweller may have to live hard, principally upon potatoes and green vegetables, with a little bacon, but he is not deteriorating like the unemployed town-dweller, who must buy everything he eats, and who, when his savings

and credit are exhausted, is left absolutely destitute and with no occupation but that of hopelessly tramping the streets.

Especially in the case of casual workers would it be an enormous advantage to live in the country, for it would enable them so to dovetail various occupations that they were never really, or very seldom, unemployed. If work for wages were available, well and good; but, if not, there would always be the small holding to fall back upon, and between the two a very fair living might be made.

Moreover, as a man grew older and his chances of work for wages diminished, he could take more land and rely more exclusively upon what it yielded. Work on the land has this enormous advantage over work for wages, especially for older men, that its reward is nearly always proportionate to the labour expended. A man who was past his prime might not get as much from half an acre of land as a stronger or more able man, but he would get what he worked for.

The Man Who Goes Under.

In the labour market, however, the man who is a fraction below par is too often thrust aside altogether, although he might do the work almost as well as the competitor who succeeds in securing it.

In my York investigation I came across case after case of men who, having once, through one cause or another, lost regular employment, had entirely failed to recover it. They had been forced by necessity to take whatever offered, and as the number of casual jobs is much greater than the number of permanent ones, especially for men past forty—they had drifted into casual work.

The nature of such work makes it difficult for men to look out for anything permanent, and so they pass from one casual job to another, with intervening periods of unemployment, growing longer as their age advances. I have seen man after man converted from "regular worker" to

" casual," and from " casual " to " unemployable."

They became " casuals " because they had no reserve to enable them to stand out until they could get another permanent job, and they became " unemployables " because of the terribly demoralising effect of the periods of unemployment between their casual jobs. Both of these evils might in many cases have been avoided had they had that alternative employment on the land which so many of the Belgian workmen have.

Now is it possible for us in England to decentralise our town population ? Three things are necessary.

The Problem of Decentralisation.

First, cheap transit. We need a great extension of the railway time-table and a great cheapening of workmen's fares. Meanwhile, however, bicycles can do much.

Secondly, we need the power to secure

for workmen, either as purchasers or tenants, land in small plots suited to their requirements, with houses upon them. Some little extension of the powers given under the Small Holdings Act, and a determined policy in making use of the provisions of this Act, are all that is required in this connection. I have not room here to enter into the finance of the question, but if land can be bought at £100 per acre, including roads, which is certainly possible within, say, ten miles of most of our industrial centres, then houses can be built to let at rentals which industrial workmen can well afford to pay, even allowing for the cost of their tickets on the railways.

Thirdly, capital must be provided, not only for the erection of houses, but in the shape of loans for the adequate cultivation of the ground and the purchase of poultry and such live stock as goats, pigs, etc. There are already facilities for borrowing money for the erection of houses, though these need considerable extension. But all

over the Continent the problem of how to provide capital for small agricultural workers has been solved, and there is no reason whatever why we should not solve it here in a similar way.

Let me say a word as to the value of produce which can be obtained from a small area of land cultivated by industrial workmen. Some time ago I arranged for twenty-four allotment holders in York—all industrial workmen—to keep accurate records during three years, of the produce from their gardens. The gardens were some distance from their homes, and the soil was not specially fertile.

Valuing the produce at the lowest figure at which it could have been bought retail, these men obtained, on the average, produce to the net value of £30 17*s.* 2*d.* per acre. The gross value was £53 5*s.* 10*d.* per acre, the difference being out-of-pocket expenses, seeds, manure, etc.

There is no reason at all why a similar yield should not be obtained elsewhere, and

if the crops grown were such as would be required for use by the family, the question of marketing facilities does not arise. In times of employment, such gardens would materially increase the family income ; in times of unemployment, they would stand between the family and destitution.

V

THE UNEMPLOYMENT OF YOUTHS

In the last two chapters I pointed out that we are not within measurable distance of the time when we can absorb no more labour. So long as there is surplus land and capital in England it will be possible to absorb surplus labour, always provided that it is of sufficiently good quality to be employed; and otherwise, from the economic standpoint, it does not constitute "labour."

How the quality of labour is apt to deteriorate under unfavourable influences has been shown on pp. 53 *et seq.* I there pointed to the existence of an appalling number of men who were rendered "unemployable" through lack of adequate oversight in their youth. They never acquired the power of steady work, but passed lightly from one occupation to another,

very often throwing up a situation on the slightest pretext, and loafing about the streets between the periods of unemployment.

Take, for example, the following illustrations, selected at random, of the jobs successively undertaken by a number of lads :—

1. Bottle washer, errand boy, waiter.

2. Errand boy, groom, newsboy, machinist at oil mill.

3. Printer's machine attendant, errand boy, pottery labourer.

4. Bottle washer, errand boy, labourer at glass works.

5. Stable boy (at two places), machine feeder, errand boy, stableman.

6. Bottle washer, button maker, errand boy, rink attendant.

Very often, too, a considerable time elapses after leaving school before the lad enters upon an industrial career, and it is passed in loafing about and picking up catch jobs, two of the surest methods of

turning a potential worker into an "unemployable."

How can we Check the Waste?

An examination of the home condition of the 129 lads found unemployed in York on June 7th, 1910, revealed the fact that if we desire to stop the supply of unemployables at its source we must begin early in life. Eighty per cent. of them started their industrial careers badly. They came from bad homes, and had, in many cases, neglected their educational opportunities.

How can we check this waste of human material? The medical inspection of school children will do a great deal, but more is needed. If the handicap against such boys is to be removed, influence must be brought to bear upon them from their infancy, which will help them to fight against their unsatisfactory home conditions.

So far as social organisation is concerned, this means an enormous extension of the system of Care Committees, whereby, under

the general supervision of trained organisers, voluntary workers will make themselves responsible for the oversight of a few families, which they can come to know intimately and influence strongly.

It may be difficult to alter the outlook of the parents, but it should never be impossible to win the children. It is, however, essential, if work of this kind is to succeed, that the number of families supervised by one worker should be small, so that a considerable amount of time may be devoted to them.

Workers Wanted.

This would mean a large band of workers. But I refuse to believe that helpers would not be forthcoming, if once the country realised the awful waste of human material that is constantly going on, just for want of a guiding hand at a critical period, or an offer of friendship from some member of the community possessed of moral back-

bone, and capable of imparting it to the morally invertebrate.

It is a poor kind of patriotism that will shout and wave flags, but will not give a little time to building up a strong nation at home.

This befriending of boys and girls whose home conditions make it necessary should be continued until they reach manhood and womanhood.

But, apart from the wide extension of the work of Care Committees, which I believe to be supremely important, we need a much more systematic and a closer supervision of boys between the ages of fourteen and nineteen. There is no doubt that in very many towns the supply of boy labour is in excess of the demand, with the result that many boys are unemployed.

Now, an unemployed boy is generally a boy who gets into mischief, and there is not the slightest doubt that we are manufacturing unemployables by the thousand every year, just because we let lads follow

their own devices during the critical and impressionable years of adolescence.

The Suggested Training School.

I may here amplify a little the proposal made in an earlier part of this book for the establishment of training schools specially designed to meet the need of the juvenile unemployed. I suggest that no lad should be allowed to leave an elementary school unless he can bring to the headmaster a statement signed by a *bonâ fide* employer guaranteeing him work for at least a week.

Without such a certificate he should, as soon as the time comes for him to leave the elementary school, be transferred to a training school. The character of the teaching here would differ from that in the elementary school. It would not be definitely technical, but would be arranged with the object of developing to the utmost the adaptability of mind and hand, and the lad's physical strength.

Much time would, therefore, be given to physical exercise, to freehand and mechanical drawing, to self-expression through writing, and to practical work in wood or iron, not so much with the idea of specialising, as of teaching boys to use their hands.

I suggest that work in these training schools should be given for six hours daily. The classes would necessarily be small, and a good deal of individual attention would be given to the lads. As they would lose the chance of picking up odd jobs through attendance at the school, the parents might be recompensed by the provision of a substantial mid-day meal for each lad.

It may be objected that if lads were at school they would not have the opportunity of seeking employment. This objection would, however, be met in two ways. First, they could apply for work before school began at 9 a.m., in the two hours which might advisably be allowed for dinner, and also on Saturday, when no school would be held. Secondly, employers, finding that

lads were not constantly coming to them seeking work, would inevitably make more use of the Labour Exchange.

Help from the Labour Exchanges.

When any Labour Exchange received an application for a lad it would telephone to the school, giving particulars of the vacancy, and the headmaster would at once select two or three likely lads and send them to apply for the vacant post.

One great advantage of this method of filling vacancies is that suitable lads would be selected, and the chances of industrial misfits reduced.

Employers would be compelled to send information, either to the Labour Exchange or to the headmaster of the training school, whenever a boy under nineteen years of age left them, and he would then immediately enter the school until he found fresh work. If this extension of our present educational system were undertaken the supply of

unemployables created between 14 and 19 would at once be arrested.

Lads would cease to acquire the habit either of depending upon odd jobs or of drifting about the streets. They would, during those five critical years, be either at regular work or at school.

The scheme would not involve any hardship to the parents, because it would cost them nothing, and the few coppers that the lads might pick up by catch jobs would be amply made good by the provision of a free dinner. It would discourage those continual changes of employment which tend to create a spirit of restlessness and inability to keep steadily at work.

A lad would not lightly throw up a job if he knew that the next morning he would be obliged to go to school. The total cost of the scheme to the community would be comparatively small, and would be far outweighed by its resultant benefits.

VI

HOW PUBLIC AUTHORITIES CAN HELP

In concluding this brief discussion of the problem of unemployment, I wish to draw attention to two other methods whereby the evil might be reduced—viz., the regulation, according to the state of the labour market, of work given out by public bodies, and the development of our forests.

As regards the first method, it is especially well calculated to reduce seasonal unemployment. Large numbers of workers are thrown out of work every year at certain definite times, and it is just at these times that public works should be prosecuted.

Employment would be given under ordinary conditions and to the most able among the applicants, and such a method would

be infinitely better than so-called "relief works," which are extremely expensive, often quite useless, and are looked upon as a charity rather than *bonâ fide* employment both by employers and employed. It simply means that during times of trade depression public authorities should have the courage and wisdom to push forward all those activities which can without disadvantage be held over in periods of brisk trade.

But in addition to arranging their work so that it may be given out, so far as possible, in times of seasonal or cyclical trade depression, public authorities can help to decrease unemployment by undertaking those large works of municipal or national improvement which have been somewhat neglected in the past.

Such public undertakings stand on a different footing from the mere addition of new industries. For while the latter always tend to recruit so much labour that a new margin of unemployed labour arises

around them, varying in extent with the variations in trade, public undertakings are independent of markets. They are, therefore, particularly useful as an instrument for regulating the demand for labour.

Afforestation of Waste Lands.

Foremost among such schemes must be mentioned the afforestation of waste lands and the reclamation of land for agricultural purposes. Provided that such enterprises are ultimately profitable, the State can afford to invest capital in them with a much slower return than private enterprise would find attractive.

The productivity of the soil, whether in corn or in timber, is a matter of the greatest possible concern to the nation, since it determines the relative well-being of the population, and its ability to bear taxes for national defence, educational progress, and other collective purposes.

The Royal Commission on Forestry and Coast Erosion reported that there were in

Great Britain about eight and a half million acres of land either lying entirely waste, or yielding such poor return for the all too scanty capital expended upon them, that they would be more profitably employed if put under timber.

As long as this land is practically idle, as capital is easily obtainable for afforesting it, and a considerable margin of labour is unemployed, there is no reason why the nation should not bring together these three factors, thus employing labour and incidentally raising the yield of the country as a whole.

Moreover, the work of afforestation lends itself to intermittent application. The area planted need not be equal year by year, but might vary with the state of the labour market, so that the maximum of employment is found when the demand for labour is slack—a condition which with the increasing use of Labour Exchanges it will become ever more easy to ascertain.

From data furnished by the Belgian

Government, with its large experience of afforestation, I have calculated that to afforest the eight and a half million acres mentioned by the Royal Commission would immediately give work for four months every winter to 50,000, and ultimately to 200,000 men.

Work for 200,000 Men.

The greater part of the labour employed in planting and felling would be unskilled, though permanent employment would also be afforded to a considerable number of highly skilled foresters, who would superintend the proceedings. The selection of trees would depend on the situation of the different areas to be planted, though it is likely that the greatest profit would be obtained by putting about one-third of the whole under conifers and two-thirds under broad-leaved trees.

The Commission recommends that about one-sixtieth of the area should be planted

annually, involving a demand for probably 25,000 men during the four winter months each year, while about an equal number would find employment in such subsidiary occupations as road-making, fencing, etc.

The demand for labour would increase as soon as the time had come for thinning —after about twenty years—and again when the first conifers were ready for felling —in about forty years. The maximum would be reached at the end of about eighty years, when the first broad-leaved trees became mature. Several great national advantages would accrue from this enterprise.

First, the world's supply of timber is rapidly diminishing, and any nation able to maintain a regular supply will be all the better qualified to compete with other nations.

Secondly, quite apart from its important function of preventing unemployment, it is financially profitable. It is estimated that from the eighty-first year the annual

surplus revenue in aid of the Exchequer would amount to about £33,000.

Thirdly, the maximum amount of work is available in winter, when unemployment among unskilled workers is probably most acute.

And fourthly, as already mentioned, the work can be quickened or retarded in accordance with the state of the labour markets.

Reclaiming Land from the Sea.

The recent floods in Lincolnshire and other counties have shown that there is great scope for national enterprise also in the direction of preventing the inundation of valuable agricultural land. The erosion of our coasts continues unchecked in many places.

In Holland the most fertile provinces have been rescued from the rivers and the sea, and a proposal is now on foot to drain the Zuyder Zee at a cost of £26,000,000.

There are many smaller tracts of fertile land in England which might likewise be reclaimed by national enterprise. While there is a large margin of idle labour and available capital, there is no reason why such great national schemes should not be profitable, and increase the general well-being of the country.

Again, there is the question of our waterways, many of which are falling into disuse for lack of capital, while the districts which they might serve are crying out for better means of cheap transport. Their improvement would provide another profitable outlet for surplus labour.

In conclusion, while unable to recommend one single " panacea " which would banish unemployment, and make the " right to work " more than a mere phrase, I believe that the means are virtually in our hands for effectively preventing most of the waste which now results from lack of foresight and of organisation.

We must realise that the idleness of a

large proportion of the population is a matter which concerns not only those immediately affected, but the whole nation. It means loss of wealth, physical and moral deterioration, growing discontent among the working classes, and a condition of unstable equilibrium that is a menace to the State.

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